



Western Canadian Coal

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS AND
MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 5, 2006**

September 7, 2006

WESTERN CANADIAN COAL CORP. NOTICE OF ANNUAL AND SPECIAL MEETING

to be held October 5, 2006

TO THE SHAREHOLDERS:

The Annual and Special Meeting of the shareholders of Western Canadian Coal Corp. (the "Company") will be held in the Connaught Room, Metropolitan Hotel, 645 Howe Street, Vancouver, British Columbia, on Thursday, October 5, 2006 at 10:00 a.m. (Vancouver time) for the following purposes:

1. To consider and receive the financial statements for the year ended March 31, 2006 and the Auditors' Report thereon.
2. To elect Directors for the ensuing year.
3. To appoint Auditors for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the Auditors.
4. To approve the amendment of the Company's stock option plan.
5. To transact such other business as may properly come before the Meeting.

The Board of Directors has fixed the close of business on September 5, 2006 as the record date for determining shareholders who are entitled to vote at the Meeting.

The financial statements and the Auditors' Report that will be presented at the Meeting are set out in the 2006 Annual Report of the Company accompanying this Notice of Meeting.

A list of persons proposed to be nominated for election as Directors and the name of the Auditors proposed to be appointed are set out in the Information Circular which follows. Shareholders who are unable to be present at the Meeting must, in order for their proxy to be valid and for their votes to be counted, date, execute and return the accompanying form of proxy to Western Canadian Coal Corp., c/o Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 (Attn: Proxy Department) by not later than 10:00 a.m. (Vancouver time) on October 3, 2006.

Dated at Vancouver, British Columbia, this 7th day of September, 2006.

By order of the Board

(signed) "Gary K. Livingstone"

Gary K. Livingstone
President & Chief Executive Officer

INFORMATION CIRCULAR

Dated as of September 7, 2006

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Western Canadian Coal Corp. (the "Company") for use at the Annual and Special Meeting (the "Meeting") of the shareholders of the Company to be held on Thursday, October 5, 2006 and any adjournment thereof, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. The solicitation will be made primarily by mail. Proxies may also be solicited personally or by telephone by regular employees of the Company. All costs of solicitation by management will be borne by the Company.

VOTING BY PROXIES

The form of proxy accompanying this Information Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. As at the date of this Information Circular, management is not aware of any such amendments or variations, or of other matters to be presented for action at the Meeting.

If the instructions in a proxy given to management are certain, the common shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll as specified in the proxy with respect to the matter to be acted on. **If a choice is not so specified with respect to any such matter, the common shares represented by a proxy given to management are intended to be voted in favour of the resolutions referred to in the form of proxy accompanying this Information Circular and for the election of the nominees of management for Directors and for the appointment of the Auditors. A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

A proxy will not be valid for use at the Meeting unless the completed form of proxy is deposited at the offices of Computershare at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 (Attn: Proxy Department), not later than 4:30 p.m. (local time) on Tuesday, October 3, 2006, or if the Meeting is adjourned, not later than 48 hours (excluding Saturdays and holidays) before the time for holding the adjourned meeting. The chairman of the Meeting has the discretion to accept proxies that are deposited after that time.

REVOCABILITY OF PROXIES

A shareholder executing the enclosed form of proxy has the power to revoke it by instrument in writing executed by the shareholder or his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation. To be valid, an instrument of revocation must be received at the registered office of the Company by fax (604) 669-1620, by mail or by hand at 1600 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or delivered to the chairman of the Meeting on the day fixed for the Meeting or any adjournment thereof by not later than the time fixed for commencement of such Meeting or such adjourned Meeting.

VOTING OF SHARES BENEFICIALLY OWNED BY UNREGISTERED (“BENEFICIAL”) SHAREHOLDERS

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their common shares in their own name.

This Information Circular and the accompanying materials are being sent to registered shareholders and unregistered shareholders, that is shareholders who hold common shares through a broker, agent, nominee or other intermediary (collectively, called “Beneficial Shareholders”). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the share register of the Company will be recognized and acted upon at the Meeting. If common shares are shown on an account statement that a broker or other intermediary provides to a Beneficial Shareholder, then in almost all cases the name of the Beneficial Shareholder will not appear on the share register of the Company. Such common shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such common shares will be registered in the name of “CDS & Co.”, the registration name of The Canadian Depository for Securities Limited, which acts as a nominee for many brokerage firms. Common shares held by brokers, agents or nominees may only be voted by those brokers, agents or nominees in accordance with instructions received from Beneficial Shareholders.

Additional Information for Beneficial Shareholders

Beneficial Shareholders fall into two categories: (i) those who object to their name being made known to the Company (“Objecting Beneficial Owner” or “OBO”); and (ii) those who do not object to the Company’s knowing their identity (“Non-Objecting Beneficial Owner” or “NOBO”). If you are an unregistered Beneficial Shareholder, and the Company or its agent has sent the materials for the Meeting directly to you, your name and address and the information pertaining to your shares that you beneficially hold has been obtained in accordance with the applicable securities legislation from the intermediary who holds the shares of the Company on your behalf. By choosing to send these materials directly to you, the Company has assumed responsibility for (i) delivering these materials to you; and (ii) executing the instructions that you provide by means of the voting instruction form (“VIF”).

Securities regulatory policies require brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Each broker or intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders to ensure that their common shares are voted at the Meeting.

However, as authorized by National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has engaged its registrar and transfer agent, Computershare to deliver the materials for the Meeting directly to the majority of its NOBO’s. This Information Circular and accompanying materials will be provided to the remainder of the Company’s NOBO’s by ADP Investor Communication Services Inc. (“ADP”).

In both cases, each NOBO will receive a scannable VIF to be completed and returned by mail in the envelope provided to Computershare or ADP, as applicable. In addition, by following the instructions provided in the VIF by Computershare or ADP, the NOBO will be able to provide his or her voting instructions by telephone or through the internet. In each of these cases, the voting instructions of the NOBO’s will be tabulated so that the common shares beneficially owned by the NOBO are voted at the Meeting in accordance with those instructions.

The purpose of the VIF is to provide a means for the Beneficial Shareholder to provide instructions as to how the common shares of the Beneficial Shareholder are to be voted at the Meeting on the Beneficial Shareholder’s behalf. Beneficial Shareholders should therefore carefully follow the procedures that

accompany the VIF to ensure that their common shares are to be voted at the Meeting in accordance with their instructions.

Accordingly, each Beneficial Shareholder should:

- (a) **carefully review the VIF and the voting procedures provided with, or as part of, the VIF; and**
- (b) **provide instructions as to the voting of the Beneficial Shareholder's common shares in accordance with those procedures.**

For greater certainty, Beneficial Shareholders should note that they are not entitled to use a VIF received from Computershare or ADP to vote common shares directly at the Meeting. Instead, the Beneficial Shareholder must complete the VIF and return it by mail to Computershare or ADP, or follow the alternate telephone or internet voting procedures outlined therein. The Beneficial Shareholder must complete these steps well in advance of the Meeting in order to ensure such common shares are voted.

In the alternative, by following the alternate procedures described in the VIF, the Beneficial Shareholder may attend the Meeting in person or designate another person to attend the Meeting on his or her behalf and vote the common shares of the Beneficial Shareholder. As set out in the VIF, there are two such procedures:

- (a) The Beneficial Shareholder can appoint himself or herself, or designate another individual, to attend and vote the shares by (i) entering the appropriate information under the heading "Appointee" in the VIF; or (ii) providing this information through the internet. If this is done, the Beneficial Shareholder or his or her designate will be entitled to attend the Meeting and vote in person. However, when the Beneficial Shareholder or designate arrives at the Meeting, he or she must register with the scrutineer.
- (b) If the Beneficial Shareholder enters his or her name, or that of a designate, in the "Appointee" section of the VIF, he or she need not obtain a legal proxy to attend and vote at the Meeting. However, securities legislation provides that a Beneficial Shareholder may request that a legal proxy be issued to enable the Beneficial Shareholder or designate to attend and vote at the Meeting. A Beneficial Shareholder who wishes to utilize this alternative should (i) enter his or her name or that of a designate in the "Appointee" section of the VIF; and (ii) check the appropriate box on the VIF. A legal proxy that will then be issued will entitle the Beneficial Shareholder or designate to attend the Meeting and vote. **However, for this procedure to be effective, the proxy must be submitted in accordance with the requirements applicable to proxies, including the deadline for receipt of proxies, set out in this Information Circular.**

Beneficial Shareholders who have questions or concerns regarding any of these procedures may also contact their broker, agent, nominee or other intermediary. It is recommended that inquiries of this kind be made well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at September 7, 2006, there were 87,650,674 outstanding fully paid and non-assessable common shares without par value in the capital of the Company that are entitled to be voted at the Meeting. Holders of the outstanding common shares whose names are entered on the register of shareholders of the Company at the close of business on September 5, 2006, which is the record date, will be entitled to

attend in person or appoint a proxy nominee to attend the Meeting and such person will be entitled to vote on a show of hands and, on a poll, will be entitled to one vote for each common share held on that date.

To the knowledge of the Directors and senior officers of the Company, and based upon the Company's review of the records maintained by Computershare, electronic filings with the System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI) as at September 7, 2006 only the following shareholder beneficially owned directly or indirectly or exercised control or direction over more than 10% of the outstanding common shares of the Company:

Name	Number of Shares	Percentage
Cambrian Mining plc ^{(1) (2)} London, England	36,411,774	41.5%

- (1) The number of common shares held by Cambrian Mining plc ("Cambrian") includes those common shares held by Deepgreen Minerals Corporation Ltd. ("Deepgreen"), which is a wholly-owned subsidiary of Cambrian.
- (2) John Byrne, Director and Chairman, is Chief Executive Officer of Cambrian and Executive Chairman of Deepgreen. John Conlon, Director, is also a Director of Cambrian.

ELECTION OF DIRECTORS

The Board of Directors of the Company is recommending five persons for election at the Meeting. Two of the current Directors, Colin K. Benner and Gordon F. Bub will not be standing for re-election. The Board of Directors is in the process of identifying other persons to serve as directors in the place of Mr. Benner and Mr. Bub.

Each of the five persons whose name appears below is proposed by the Board of Directors to be nominated for election as a Director of the Company to serve until the next Annual General Meeting of the shareholders or until he sooner ceases to hold office. The following information concerning the respective nominees has been furnished by them:

Name and Office Held with the Company, and Province and Country of Residence	Present Principal Occupation	Director Since	Share Ownership⁽¹⁾
Gary K. Livingstone, Director, President & Chief Executive Officer ⁽²⁾ British Columbia, Canada	President & Chief Executive Officer of the Company	May 2004	115,000
Charles Pitcher, Director Former Chief Operations Officer ⁽²⁾⁽³⁾ Ontario, Canada	President of The Mining House Inc.	December 2002	215,000
John Byrne, Director, Chairman ⁽⁴⁾⁽⁵⁾ Victoria, Australia	Chief Executive Officer of Cambrian Mining PLC, and Executive Chairman of Deepgreen Minerals Corporation Ltd.	June 2001	210,000
John Conlon, Director ⁽⁴⁾⁽⁶⁾⁽⁷⁾ Ontario, Canada	President of Webcon Equipment Inc.	September 2001	Nil

Name and Office Held with the Company, and Province and Country of Residence	Present Principal Occupation	Director Since	Share Ownership⁽¹⁾
John R. Brodie, FCA, Director ⁽⁶⁾ British Columbia, Canada	President of John R. Brodie Capital Inc. ⁽⁸⁾	May 2006	Nil

- (1) This column shows the common shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of September 7, 2006.
- (2) Member of the Corporate Governance Committee.
- (3) Charles Pitcher resigned as Chief Operating Officer of the Company effective October 19, 2004.
- (4) Member of the Compensation Committee.
- (5) John Byrne is Chief Executive Officer of Cambrian, which holds 18,749,774 common shares of the Company and Executive Chairman of Deepgreen, a wholly-owned subsidiary of Cambrian which also owns 17,662,000 common shares of the Company.
- (6) Member of the Audit Committee.
- (7) John Conlon is also a director of Cambrian.
- (8) Prior to 2003, John R. Brodie was a partner at KPMG LLP.

APPOINTMENT OF AUDITORS

Management of the Company will propose the appointment of Manning Elliot LLP, Chartered Accountants, as Auditors of the Company to hold office until the next Annual General Meeting of the Company and will also propose that the Directors be authorized to fix the remuneration to be paid to the Auditors.

STATEMENT OF EXECUTIVE COMPENSATION

The following table sets forth information on the total compensation paid in respect of the individuals who were, at March 31, 2006, the Chief Executive Officer and the Chief Financial Officer of the Company and the other three most highly compensated executive officers of the Company whose total salary and bonus exceeded \$150,000 for the financial year ended March 31, 2006 (collectively, the “Named Executive Officers” or “NEOs”).

Summary Compensation Table

NEO Name and Principal Occupation	Year	Annual Compensation⁽¹⁾			Long Term Compensation			
		Salary (\$)	Bonus⁽²⁾ (\$)	Other Annual Compensation (\$)	Awards		Payouts	All Other Compensation (\$)
					Securities Under Options/SARs Granted (#)	Restricted Share or Units Subject to Resale Restrictions	LTIP Payouts (\$)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Gary K. Livingstone - President & Chief Executive Officer ⁽³⁾	2006	317,500	Nil	33,750	Nil	Nil	Nil	Nil
	2005	213,541	Nil	8,000	750,000	Nil	Nil	Nil
Fausto Taddei - Chief Financial Officer & Corporate Secretary ⁽⁴⁾	2006	175,000	26,250	13,250	80,000	Nil	Nil	Nil
	2005	96,875	Nil	Nil	120,000	Nil	Nil	Nil

NEO Name and Principal Occupation (a)	Year (b)	Annual Compensation ⁽¹⁾			Long Term Compensation			
		Salary (\$) (c)	Bonus ⁽²⁾ (\$) (d)	Other Annual Compensation (\$) (e)	Awards		Payouts	All Other Compensation (\$) (i)
					Securities Under Options/SARs Granted (#) (f)	Restricted Share or Units Subject to Resale Restrictions (g)	LTIP Payouts (\$) (h)	
John Hogg – Vice-President & Chief Operating Officer ⁽⁵⁾	2006	206,250	31,500	21,300	120,000	Nil	Nil	Nil
	2005	66,667	Nil	2,500	120,000	Nil	Nil	Nil
William D. Burton – Vice-President, Operations ⁽⁶⁾	2006	163,000	24,450	12,350	80,000	Nil	Nil	Nil
	2005	138,000	Nil	Nil	Nil	Nil	Nil	Nil
	2004	19,550	Nil	Nil	120,000	Nil	Nil	Nil
Kathleen Pomeroy – Vice-President, Environmental & Regulatory Affairs ⁽⁷⁾	2006	134,000	20,100	11,200	80,000	Nil	Nil	Nil
	2005	120,000	Nil	Nil	40,000	Nil	Nil	Nil
	2004	35,000	Nil	Nil	80,000	Nil	Nil	Nil

- (1) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus for any of the executive officers.
- (2) Bonuses include all amounts awarded to executive officers in respect of a fiscal year whether paid in that or a subsequent year.
- (3) Mr. Livingstone was appointed the President & Chief Executive Officer of the Company on May 25, 2004. As a result, Mr. Livingstone was employed by the Company for 11 months in the financial year ending March 31, 2005.
- (4) Mr. Taddei was appointed the Chief Financial Officer & Corporate Secretary on August 23, 2004. As a result, Mr. Taddei was employed by the Company for 8 months in the financial year ending March 31, 2005.
- (5) Mr. Hogg was appointed the Vice-President & Chief Operating Officer of the Company on November 1, 2004. As a result, Mr. Hogg was employed by the Company for 5 months in the financial year ending March 31, 2005.
- (6) Mr. Burton was appointed the Vice-President, Operations of the Company on February 10, 2004. As a result, Mr. Burton was employed by the Company for 2 months in the financial year ending March 31, 2004.
- (7) Ms. Pomeroy was appointed the Vice-President, Environmental & Regulatory Affairs of the Company on May 16, 2004. Ms. Pomeroy was employed by the Company for 3 months in the financial year ended March 31, 2004.

Option Grants During the Most Recently Completed Financial Year

The following table discloses individual grants of option to purchase or acquire securities of the Company made during the most recently completed financial year to each Named Executive Officer.

NEO Name (a)	Securities Under Options Granted # (b)	% of Total Options/Granted to Employees in Financial Year (c)	Exercise or Base Price (\$/Security) (d)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security) (e)	Expiration Date (f)
Gary K. Livingstone	Nil	N/A	N/A	N/A	N/A
Fausto Taddei	80,000	5.97%	5.40	4.90	July 28, 2010
John Hogg	120,000	8.96%	5.40	4.90	July 28, 2010
William Burton	80,000	5.97%	5.40	4.90	July 28, 2010
Kathleen Pomeroy	80,000	5.97%	5.40	4.90	July 28, 2010

Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values

The following table discloses all options exercised during the most recently completed financial year by each Named Executive Officer and the financial year-end value of unexercised options on an aggregated basis.

NEO Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options at Financial Year End (\$) Exercisable/Unexercisable ⁽¹⁾
(a)	(b)	(c)	(d)	(e)
Gary K. Livingstone	250,000	925,000	250,000/250,000	390,000/337,000
Fausto Taddei	Nil	Nil	96,000/104,000	116,000/58,000
John Hogg	Nil	Nil	104,000/136,000	35,200/17,600
William Burton	60,000	251,400	76,000/64,000	128,400/Nil
Kathleen Pomeroy	Nil	Nil	136,000/64,000	240,800/Nil

(1) The dollar values in this column are calculated by determining the difference between the market value of the securities underlying the options as at March 31, 2006 and the exercise price of each of such options.

EMPLOYMENT CONTRACTS

Gary K. Livingstone was appointed a Director of the Company on May 16, 2004, and President & Chief Executive Officer on May 25, 2004. Pursuant to the terms and conditions of an employment contract between the Company and Mr. Livingstone, he will receive an annual base salary starting at \$250,000 plus an allowance for car expenses estimated to amount to \$9,600 per annum. Pursuant to the employment contract Mr. Livingstone is entitled to receive benefits in accordance with the various corporate benefit programs in place from time to time.

The contract is for a period of three years, terminating on May 25, 2007. The contract may be extended upon mutual agreement at terms to be negotiated. In the event the Company terminates the contract prior to May 27, 2007, for reasons other than cause, the Company has an obligation to pay Mr. Livingstone a termination fee, the amount of which varies depending on the remaining time left on the contract, but in any event will be not less than 12 months' salary.

Under the terms and conditions of an employment contract between the Company and Mr. Taddei who was appointed Chief Financial Officer & Corporate Secretary on August 23, 2004, with an annual salary starting at \$150,000.

Under the terms and conditions of an employment contract between the Company and Mr. Hogg, who was appointed Vice-President & Chief Operating Officer on November 1, 2004, with an annual base salary starting at \$160,000 plus a car allowance estimated to amount to \$6,000 per annum. Pursuant to the employment contract Mr. Hogg is entitled to receive benefits in accordance with the various corporate benefit programs in place from time to time.

Under the terms and conditions of an employment contract between the Company and Mr. Burton, who was appointed Vice-President, Operations on February 10, 2004, with an annual base salary starting at \$138,000 and benefits in accordance with various corporate benefit programs in place from time to time.

Under the terms and conditions of an employment contract between the Company and Ms. Pomeroy, who was appointed Vice-President, Environmental & Regulatory Affairs on May 16, 2004, with an annual base salary starting at \$120,000 and benefits in accordance with various corporate benefit programs in place from time to time. In recognition of Ms. Pomeroy's service to the Company prior to May 16, 2004, Ms. Pomeroy received 80,000 share purchase options in February 2004 and her service date is deemed to have commenced on November 21, 2002.

COMPOSITION OF THE COMPENSATION COMMITTEE

The Compensation Committee, on behalf of the Board of Directors of the Company, monitors compensation of the executive officers of the Company. Each of Messrs. Benner, Byrne and Conlon were members of the Compensation Committee during the year ended March 31, 2006. As disclosed under "Voting Shares and Principal Holders Thereof" in this Information Circular, Cambrian and Deepgreen, a wholly-owned subsidiary of Cambrian, own 41.5% of the outstanding common shares of the Company. Mr. John Byrne is the Executive Chairman of Deepgreen and in addition is a director and the Chief Executive Officer of Cambrian. Mr. John Conlon is a director of Cambrian.

The Compensation Committee periodically reviews the compensation paid to Directors and management based on such factors as time commitment, comparative fees paid by similar companies in the industry and the level of responsibility.

REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee is responsible for the review and assessment of compensation arrangements for management of the Company and is authorized to approve terms of employment, salaries, bonuses, option grants and other incentive arrangements for executive officers of the Company, and, where appropriate, any severance arrangements. The Committee works in conjunction with the President & Chief Executive Officer on the review and assessment of the senior management complement of the Company.

The Committee periodically reviews the management development and succession program established by management of the Company and the organizational structure for management of the Company's operations. The Committee also periodically reviews the adequacy and competitiveness of compensation for the various management levels in the Company to ensure that they are equitable and competitive. The Committee consults from time to time with the Nominations and Corporate Governance Committees on recommendations for compensation of Directors.

The Committee reports to the Board of Directors of the Company on its functions and on the results of its reviews and any recommendations.

The policy underlying the Company's compensation of its executive officers and other senior management is to provide remuneration and incentive arrangements competitive with that paid by mining industry counterparts. In addition, the Committee's policy is to encourage support for the Company's business goals, to reward superior performance by the Company as a whole, by its various operating divisions and by the individual members of management through an incentive bonus plan. Compensation for executive officers is comprised primarily of salary, supplemented by bonus as disclosed under "Statement of Executive Compensation".

In determining the compensation bases and the appropriate combination of salary, bonus and other incentives, the Committee has from time to time relied upon the advice of outside consultants. Such advice has included the relative competitiveness of the Company's remuneration levels and, with respect to stock option grants, the appropriate value to attribute to such grants and the appropriate levels of option grants for various members of management. The Committee also consults with and considers the recommendations of the President & Chief Executive Officer of the Company.

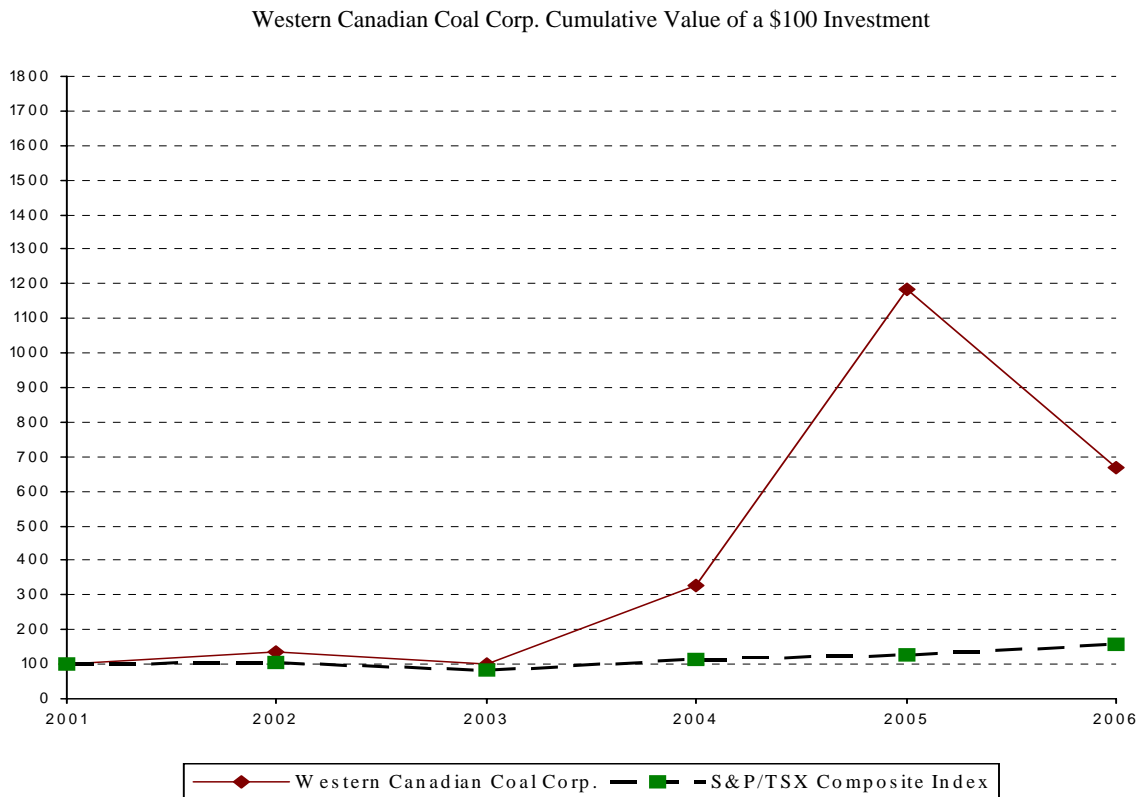
The Company has a group registered retirement savings plan which is available to all employees upon commencement of employment. Under this plan, for all employees in pay grade levels below grade 14, the Company matches the employee's contribution based upon the length of service to the Company up to a maximum of 6% of their base salary or a maximum annual contribution of 50% of the allowable limit by the Canada Revenue Agency. For the Named Executive Officers and employees in pay grade levels 14 and higher, the plan provides that the Company will contribute an amount equivalent to 8% of their base salary to either the group registered retirement savings plan or for any portion of the Company's contribution which is in excess of the contribution limit specified by the employee, to a self-directed investment account maintained with the Standard Life Insurance Company for investment as directed by the employee. The Named Executive Officers and employees in pay grade levels higher than level 14 may also make voluntary contributions to the group registered retirement savings plan.

Presented by the Compensation Committee:

John Byrne, Colin K. Benner and John Conlon

PERFORMANCE GRAPH

The following graph compares the total cumulative return to a shareholder who invested \$100 in common shares of the Company on March 31, 2001 with the total cumulative return of the S&P/TSX Composite Index for the last five years.



Comparison of Cumulative Total Return ⁽¹⁾

	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006
Western Canadian Coal Corp.	\$100.00	\$136.36	\$102.27	\$329.54	\$1,181.82	\$668.18
S&P/TSX Composite	\$100.00	\$103.20	\$ 83.24	\$112.85	\$ 126.34	\$159.18

(1) Assuming an investment of \$100 on March 31, 2001.

COMPENSATION OF DIRECTORS

Each Director of the Company was paid an annual fee of \$24,000 for the financial year ending March 31, 2006. In addition, each Director of the Company was paid a fee of \$1,000 per day, or any pro rata portion thereof, for services rendered in a given month in excess of two days' services. The President & Chief Executive Officer and any other officers that are Directors are excluded from this fee structure.

There are no other arrangements in addition to or in lieu of the above described fee structure under which Directors of the Company were compensated by the Company during the most recently completed financial year for their services in the capacity as Directors.

During the year ended March 31, 2006, the Company recorded expenses payable to various Directors relating to the fee paid for services rendered in excess of two days in a given month. The fees paid in addition to the director compensation set out above amounted to \$6,000 paid to John Byrne, \$4,000 paid to Charles Pitcher, \$13,000 paid to John Conlon, \$3,000 paid to Gordon F. Bub, and \$10,000 paid to Colin K. Benner for their services rendered in connection with activities on the Company's behalf.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table summarizes relevant information as of March 31, 2006 with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,228,503	\$3.44	7,058,031
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	3,228,503	\$3.44	7,058,031

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the last completed financial year of the Company, no Director, executive officer, employee, proposed nominee for Director or any associate or affiliate of any of them or any former executive officer, Director or employee of the Company has been indebted to the Company for other than routine indebtedness.

INTEREST OF INFORMED PERSONS AND MATERIAL TRANSACTIONS

None of the informed persons of the Company, nor any proposed nominee for election as a Director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the Company's last completed financial year, or in any proposed transaction which, in either case, has or will materially affect the Company, except as disclosed herein.

Applicable securities legislation defines "informed person" to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the

voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

On February 15, 2006, the Company entered into a loan agreement with Cambrian pursuant to which Cambrian agreed to make available to the Company a loan facility of up to \$30,000,000 (the "Loan Facility"). The Loan Facility was put in place as a bridge facility to the completion of a \$125,000,000 convertible debenture financing completed in March 2006. On March 23, 2006, Cambrian was repaid an amount of \$20,156,873.21, being the principal and interest due under the Loan Facility.

During the fiscal year ended March 31, 2006, the Company entered into a joint venture agreement with Wasabi Energy Limited ("Wasabi") to explore and develop the Lillyburt coal property located in southeastern British Columbia. The Company's major shareholder, Cambrian, is also Wasabi's largest shareholder, holding approximately 22% of Wasabi.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors is committed to ensuring that the Company identifies and implements effective corporate governance practices. National Policy 58-201, *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in view of these guidelines. In most cases, the Company's practices comply with the guidelines, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Board will continue to review with management the corporate governance practices of the Company to ensure that they are sound practices for effective and efficient decision making.

In accordance with National Instrument 58-101, *Disclosure of Corporate Governance Practices*, the Company is required to disclose, on an annual basis, its approach to corporate governance. The following is a description of the Company's approach to corporate governance.

Board of Directors

The Board considers its composition and size on an ongoing basis. Directors are recruited from time to time with a view to achieving and maintaining a majority of independent directors while at the same time maintaining an adequate level of industry representation and complementary experience in the coal industry and other businesses. The Board of Directors considers that four of the seven current Directors are independent in accordance with the definition of "independence" set out in Multilateral Instrument 52-110, *Audit Committees*.

The four current Directors considered independent are Colin K. Benner, John R. Brodie, Gordon F. Bub and John Conlon. Mr. Benner and Mr. Bub will not be standing for re-election at the Meeting. The Board of Directors is in the process of identifying other persons, who would be considered independent, to serve as directors in place of Mr. Benner and Mr. Bub. See "Election of Directors".

Gary K. Livingstone, as an executive officer of the Company, is not considered to be independent. Charles Pitcher, who was an executive officer of the Company until late 2004, is also not considered to be independent. John Byrne, Chairman of the Board, as an executive officer of Cambrian and its wholly-owned subsidiary Deepgreen, which together own 41.5% of the outstanding common shares of the Company, is not considered to be independent. The Board does not have a "lead director".

To facilitate its exercise of independent judgement in carrying out its responsibilities, the Board has provided for its Audit Committee and its Nomination Committee to be composed solely of independent directors and its Compensation Committee to be composed of a majority of independent directors.

The independent directors have not to date held regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board, however, did meet without members of management in attendance at two Board meetings in the most recently completed financial year. The Audit Committee meets at least quarterly without management in attendance.

While the Board believes it is important, at times, to meet without members of management present, there is no indication that open and candid discussion among independent directors is inhibited by the presence of non-independent directors and the Board believes their exclusion from regularly scheduled meetings is not needed in the present circumstances.

The following directors are currently directors (or trustees) of the other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Reporting Issuer
Colin K. Benner	Glencairn Gold Corp.; Tahera Diamond Corporation; Gold Hawk Resources Inc.; Major Drilling Group International; and EuroZinc Mining Corporation
John R. Brodie	Far West Mining Inc.; Rubicon Minerals Corporation; Silver Standard Resources Inc.; Ag Growth Income Fund; and Pacific Safety Products
Gordon F. Bub	Gold Hawk Resources Inc.
John Byrne	Cambrian Mining plc; and Coal International plc
John Conlon	Cambrian Mining plc; and Coal International plc
Gary K. Livingstone	Nil
Charles Pitcher	Redhawk Resources, Inc.

The attendance record for each director for all board meetings and for committee meetings of which they are a member for the financial year ended March 31, 2006 is set out below:

Number of Board and Committee Meetings Held	Attendance of Directors ⁽¹⁾		
	Director	Board Meetings Attended	Committee Meetings Attended
Board of Directors: [22]	Colin K. Benner ^{(AC)(CC)(NC)}	20 of 22	10 of 10
Audit Committee (AC): [6]	Gordon F. Bub ^{(AC)(CGC)(NC)}	21 of 22	9 of 9
Corporate Governance Committee (CGC): [1]	John Byrne ^(CC)	17 of 22	1 of 2
Compensation Committee (CC): [2]	John Conlon ^{(AC)(CC)}	19 of 22	7 of 8
Nomination Committee (NC): [2]	Gary K. Livingstone ^(CGC)	22 of 22	1 of 1
	Charles Pitcher ^(CGC)	18 of 22	1 of 1

⁽¹⁾ John R. Brodie who was appointed to the Board and the Audit Committee on May 10, 2006, has attended all of the Board meetings and all of the Audit Committee meetings held since his appointment.

Board Mandate

A copy of the Mandate of the Board of Directors is attached as Appendix A.

Position Descriptions

The Board has developed written position descriptions for the Chairman of the Board and the chair of each committee of the Board. The responsibilities of the Chairman of the Board include providing leadership to the Board in the effective execution of Board responsibilities and acting as a liaison between the Board and management.

A written position description has also been developed for the President & Chief Executive Officer. The responsibilities of the President & Chief Executive Offer include managing the Company and its operations in accordance with the Company's strategic, business and operational plans as approved by the Board and serving as a primary spokesperson for the Company to promote positive relationships with shareholders and customers.

Orientation and Continuing Education

The Board provides all new directors with a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside Board meetings. The Board, through management, provides comprehensive information on the Company to all directors, including copies of the Company's key policies, codes and mandates, and access to its various operations as may be required to understand the nature and operation of the Company's business. External continuing education opportunities are encouraged and brought to the attention of directors. As well, management briefings on the Company's operations, business and key issues are provided on an ongoing basis.

Ethical Business Conduct

The Board has recently adopted a written Code of Business Conduct and Ethics for the Company's directors, officers and employees. A copy of the Code has been filed on and is available through SEDAR at www.sedar.com or may be obtained upon request from the Secretary of the Company, Suite 900 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6. All Company personnel are encouraged to report violations of the Code in accordance with the procedures set forth in the Code.

As required under the *Business Corporations Act* of British Columbia and the Company's Articles:

- A director or executive officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or executive officer of the Company, must promptly disclose the nature and extent of that conflict.
- A director who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter may not vote on any directors' resolution to approve the contract or transaction.

Generally, as a matter of practice, directors or executive officers who have disclosed a material interest in any transaction or agreement that the Board is considering do not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they abstain from voting on any matters relating to matters in which they have disclosed a material interest.

The Company also established in 2005 a whistleblower policy which governs the process through which employees and others, either directly or anonymously, can notify the Audit Committee of concerns regarding questionable accounting or auditing matters. In addition, this policy establishes a mechanism by which employees and others can raise their concerns free of any discrimination, retaliation or harassment and the Company may respond to and keep records of, complaints from employees and others regarding such potential violations or concerns.

Nomination of Directors

The Nomination Committee, which is composed entirely of independent directors, is responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. Prior to making a nomination, the Nomination Committee considers the balance of skills, knowledge and experience on the Board and, in light of this prepares a description of the role and capabilities required for a particular appointment. Taking this into account, the Nomination Committee identifies suitable candidates by considering candidates from a wide range of backgrounds based on merit and against objective criteria and taking care that appointees have enough time to devote to the position. The Nomination Committee may use open advertising or the services of external advisers to facilitate their search.

The Nomination Committee also regularly reviews the structure, size and composition required of the Board compared to its current position and makes recommendations to the Board with regard to any changes. The Nomination Committee gives consideration to succession planning for directors and other senior executives in the course of its work. The Nomination Committee also annually assesses directors and makes recommendations to the Board concerning the re-election of any director at the conclusion of their specified term of office and the continuation in office of any director, having due regard to their performance and ability to continue to contribute to the Board. The Nomination Committee also recommends to the Board individual directors to serve as members or chairs of the Audit and

Compensation committees and any other committees established by the Board from time to time. The Nomination Committee ensures that new directors are formally advised as to what is expected of them and makes recommendations respecting orientation of new Board members and ongoing education of all Board members.

The Chairman of the Nomination Committee is appointed by the Board. The Nomination Committee meets as determined by the Chairman, with at least 2 meetings per year being required. The Nomination Committee is authorized to seek any information it requires from any employee of the Company and to obtain, at the Company's expense, outside professional advice in order to perform its duties.

Compensation

The Board has appointed a Compensation Committee with responsibility for determining the compensation of officers within the terms of the framework or broad policy determined and agreed with the Board for that purpose. The Compensation Committee reports formally to the Board making recommendations on individual officer compensation to the Board for its approval.

On an ongoing basis, the Board in consultation with the Compensation Committee considers the adequacy and form of director compensation taking into account the responsibilities and risks involved in being a director. In determining the appropriate level of compensation, the Board considers the types and amounts of compensation paid to directors of comparable public companies.

The terms of reference provide for the Compensation Committee to be made up, as far as practicable, of independent directors. Currently, the Compensation Committee is composed of 3 members, 2 of whom are independent directors. To ensure an objective process for determining compensation, the Compensation Committee's terms of reference also provide that no director or officer shall be involved in any decisions as to their own compensation.

The Compensation Committee is also responsible for determining in any year the overall amount of awards, if any, to be made under any share incentive plans and individual awards to executive officers and other senior management; approving the design of, targets for, and total annual payments under any performance related pay schemes; determining policy for, and the scope of, pension arrangements for executive officers and other senior management; reviewing termination arrangements and payments; annually reviewing compensation trends across the Company; overseeing major changes in employee benefit structures; determining policy for authorizing expense claims for executive officers and other senior management; ensuring compliance with regulatory requirements respecting disclosure of compensation; and, selecting and establishing the terms of reference for any compensation consultants retained to advise the Compensation Committee and to obtain current information about compensation in other companies.

The Compensation Committee has authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations. In the financial year ended March 31, 2006, Coopers Consulting Ltd. was retained and provided for comparative purposes external surveys of director compensation and employee compensation, including compensation of officers other than the chief executive officer. A separate analysis of appropriate compensation was provided by this consulting firm for the President & Chief Executive Officer. In the current financial year, Mercer Human Resources Consulting was retained to provide a comparative analysis of Board compensation.

The Compensation Committee meets at least twice a year and at such other times as required. The Committee is authorized to seek any information it requires from any employee of the Company and to obtain, at the Company's expense, outside professional advice in order to perform its duties.

Audit Committee

The Audit Committee, which is composed entirely of independent directors, is responsible for overseeing management's conduct of the Company's accounting and financial reporting process and systems of internal accounting and financial controls. For further information regarding the Company's Audit Committee, please refer to the section entitled "Audit Committee" in the Company's Annual Information Form dated June 29, 2006 which is available on SEDAR at www.sedar.com or may be obtained upon request from the Secretary of the Company, Suite 900 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6.

Other Board Committees

In addition to the Nomination, Compensation and Audit committees, the Board has established a Corporate Governance Committee.

The Corporate Governance Committee consists of Gordon F. Bub, Gary K. Livingstone and Charles Pitcher. The mandate of the Corporate Governance Committee is to review and ensure the Company's ongoing compliance with the various securities and regulatory authorities that govern it, as well as ensuring that the Company continues to conduct itself in a manner appropriate for that of a public company. The Corporate Governance Committee is also responsible for the development of the Company's disclosure and insider trading policies and its code of ethics, and for overseeing or monitoring compliance with the policies and the code.

Assessments

At least once a year each of the committees of the Board reviews its own performance, constitution and terms of reference or charter to ensure it is operating effectively and recommends any changes it considers necessary to the Board for approval.

The Nomination Committee also assesses the effectiveness of the Board and its committees and individual directors and makes recommendations as appropriate.

AMENDMENT OF STOCK OPTION PLAN

In 2004, the Company adopted with approval from the Company's shareholders, an incentive stock option plan pursuant to the policies of the TSX Venture Exchange (the "2004 Plan"). The Company was voluntarily delisted from the TSX Venture Exchange and commenced trading on the TSX under the symbol "WTN" in April 2005. In 2005, the Company adopted with approval from the Company's shareholders, an incentive stock option plan (the "Stock Option Plan") pursuant to the rules of the Toronto Stock Exchange (the "TSX"). The Stock Option Plan replaced the 2004 Plan and, consequently, no new options will be granted under the 2004 Plan. Options granted under the 2004 Plan prior to the adoption of the 2005 Plan will survive until exercise, lapse or termination in accordance with the provisions of the 2004 Plan. As of the date of this Information Circular, an aggregate of 1,696,068 common shares are issuable upon the exercise of outstanding options granted under the 2004 Plan, representing approximately 1.94% of the issued and outstanding common shares of the Company, and an aggregate of 2,310,000 common shares are issuable upon the exercise of outstanding options granted under the Stock Option Plan, representing approximately 2.64% of the issued and outstanding common shares of the Company.

On November 29, 2005, the Board of Directors of the Company approved the amendment of the Stock Option Plan to revise the change of control definition to mean the acquisition of more than 50% of the

votes attaching to all shares of the Company that may be cast to elect directors of the Company or the acquisition of all or substantially all of the assets of the Company; and to revise the acceleration of vesting of options in the event of a change of control to be in accordance with any agreement between the Company and the optionee. This amendment was approved by the TSX. In accordance with the rules of the TSX and the amendment provisions of the Stock Option Plan, shareholder approval was not required for this amendment. A copy of the Stock Option Plan, as amended, is available upon request from the Secretary of the Company, Suite 900 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6.

Key provisions of the Stock Option Plan, as amended, include:

- (a) the maximum number of common shares issuable pursuant to options granted under the Stock Option Plan will be a number equal to 10% of the issued and outstanding common shares on a non-diluted basis at any time;
- (b) eligible participants under the Stock Option Plan are directors and officers of the Company and service providers to the Company, which includes employees, insiders and consultants of the Company;
- (c) a restriction that no more than 10% of the total number of issued and outstanding common shares may be issuable to insiders of the Company pursuant to options granted to insiders under the Stock Option Plan, together with all of the Company's other previously established and outstanding or proposed share compensation arrangements;
- (d) a restriction that no more than 10% of the total number of issued and outstanding common shares are issued to insiders of the Company within a one-year period pursuant to options granted to insiders under the Plan, together with all of the Company's other previously established and outstanding or proposed share compensation arrangements;
- (e) the option price per common share is to be determined by the Board of Directors provided that such exercise price is not less than the market price on the date of grant of such options or such other minimum price as may be required by the TSX;
- (f) the vesting period of all options shall be determined by the Board of Directors;
- (g) options may be exercisable for a period of up to a maximum term of five years, such period to be determined by the Board of Directors and the options are non-transferable;
- (h) options held by individuals who are terminated without cause are subject to an accelerated expiry term for those options; options held by those individuals expire on the earlier of: (i) the original expiry term of such options; (ii) 30 days after the optionee ceases active employment with the Company; or (iii) 30 days after the date of delivery of written notice of retirement, resignation or termination;
- (i) options held by an individual who ceases to be employed by the Company for cause or is removed from office or becomes disqualified from being a director will terminate immediately;
- (j) options held by an individual who ceases to be a director, officer or service provider of the Company due to death, disability or retirement will be exercisable until the earlier of 365 days after the date of death, disability or retirement and the expiry date;

- (k) options which expire unexercised or are otherwise cancelled will be returned to the Stock Option Plan and may be made available for future option grants pursuant to the provisions of the Stock Option Plan;
- (l) optionees may, rather than exercise their options, elect to terminate such option, in whole or in part, and receive either an equivalent number of common shares or, with the consent of the Company, cash payment, in either case, calculated on the basis of the difference between the fair value of a common share and the exercise price of the option;
- (m) the Board of Directors may, from time to time, subject to applicable law and the prior approval, if required, of the TSX or any other applicable regulatory body, suspend, terminate, discontinue or amend the Stock Option Plan and the Board may amend the Stock Option Plan or options granted under it without shareholder approval; and
- (n) the Board of Directors may not amend the Stock Option Plan without the approval of the shareholders of the Company and the TSX with respect to the following: (a) altering the maximum number of shares available under the Stock Option Plan; (b) amending the terms of an option granted to an insider of the Company; (c) making a change to the class of eligible participants which would have the potential of broadening or increasing participation by insiders; (d) adding any form of financial assistance; or (e) adding a deferred or restricted share unit or any other provision which results in an eligible participant receiving shares while no cash consideration is received by the Company.

Proposed Amendment to the Stock Option Plan

On June 6, 2006, the TSX published a Staff Notice on the requirements for detailed amending procedures in security based compensation arrangements such as the Company's Stock Option Plan. Shareholders are being asked to approve the ordinary resolution set out below authorizing an amendment to the Stock Option Plan to revise the amendment procedure to be in compliance with the Staff Notice.

The Company proposes to amend the Stock Option Plan to specify those amendments to the Stock Option Plan that can be made by the Board of Directors without the approval of the Company's shareholders (other than the approval at the Meeting to incorporate this amendment provision into the Stock Option Plan). The amendments that can be made without shareholder approval are set out in the proposed amendment to Section 6.5 set out below. These amendments include but are not limited to:

- (i) amendments of a typographical, grammatical, clerical or administrative nature or which are required to comply with regulatory requirements;
- (ii) a change to the vesting provisions of the Stock Option Plan or any option;
- (iii) a change to the termination provisions of any option that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of Section 4.4(d) of the Stock Option Plan for a trading blackout period); and
- (iv) a change to the eligible participants of the Stock Option Plan.

The Board of Directors considers that the flexibility afforded by the proposed amendment will enable the Stock Option Plan to better achieve its purpose by enabling amendments to the Stock Option Plan and

options granted thereunder to be made on an expeditious basis which would enable the Stock Option Plan to efficiently address future regulatory and commercial requirements.

Shareholder Approval

The rules of the TSX require that the amendment to the Stock Option Plan be approved by an ordinary resolution passed by a majority of the votes cast by holders of common shares of the Company present or represented by proxy at the Meeting.

Shareholders at the Meeting will be asked to consider and, if thought fit, pass the following resolution:

RESOLVED, as an ordinary resolution, that:

1. Section 6.5 of the Stock Option Plan, a copy of which is attached hereto as Appendix B, be deleted and replaced with the following:

“6.5 Amendments to the Plan

- (a) The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company, the Plan or the shareholders of the Company, suspend, terminate or discontinue the Plan at any time.
- (b) The Board may amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto at any time without the consent of the Participants provided that such amendment shall:
 - (i) not adversely alter or impair any Option previously granted except as permitted by the adjustment provisions of Section 5;
 - (ii) be subject to any regulatory approvals including, where required, the approval of the Exchange; and
 - (iii) be subject to shareholder approval, where required, by law or the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - A. amendments of a typographical, grammatical, clerical or administrative nature or which are required to comply with regulatory requirements;
 - B. a change to the vesting provisions the Plan or any Option;
 - C. a change to the termination provisions of any Option that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of Section 4.4(d) for a Blackout Period); and

D. a change to the eligible participants of the Plan.

- (c) Notwithstanding this Section 6.5, the Board shall not be permitted to amend the Option Price except as set out in Section 5 of this Plan. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.
- (d) The Board, absent prior approval of the shareholders of the Company and of the Exchange or any other regulatory body having authority over the Company, will not be entitled to:
 - (i) increase the maximum percentage of Common Shares issuable by the Company pursuant to the Plan;
 - (ii) amend an Option grant for an Option held by an Insider to effectively reduce the Exercise Price, or to extend the Expiry Date;
 - (iii) make a change to the class of eligible participants which would have the potential of broadening or increasing participation by Insiders;
 - (iv) add any form of financial assistance; or
 - (v) add a deferred or restricted share unit or any other provision which results in an eligible participant receiving Shares while no cash consideration is received by the Company.”

- 2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute, whether under the corporate seal of the Company or otherwise, and deliver all such documents and instruments, and to do all such acts or things, as may be necessary or desirable to give effect to the foregoing.

The Board of Directors of the Company recommends that shareholders of the Company vote for the resolution approving the amendment to the Stock Option Plan. **Common shares represented by proxies in favour of management will be voted in favour of the amendment, unless a shareholder has specified in his or her proxy that his or her common shares are to be voted against the approval of the amendment.**

ADDITIONAL INFORMATION

The Annual Report of the Company for 2006 accompanying this Information Circular contains the Company's comparative financial statements for the Company's most recently completed financial year, the auditors' report on such statements and Management's Discussion and Analysis of Financial Results. The Company also prepares an Annual Information Form which is filed with certain securities commissions across Canada. Additional copies of the Annual Report, this Information Circular and the

Annual Information Form, as well as the most recent quarterly financial statements subsequent to the Company's annual financial statements, may be obtained upon request from the Secretary of the Company, Suite 900 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6 or is available on SEDAR at www.sedar.com.

APPROVAL

The contents and sending of the Notice of Meeting and this Information Circular have been approved and authorized by the Board of Directors of the Company.

WESTERN CANADIAN COAL CORP.

(signed) "*Gary K. Livingstone*"

By: Gary K. Livingstone
President & Chief Executive Officer

APPENDIX A

WESTERN CANADIAN COAL CORP.

Board Mandate

The Board of Directors is responsible for the stewardship of the Company and oversees the management of the business and affairs of the Company. The Board may discharge its responsibilities by delegating certain duties to committees of the Board. The specific duties delegated to each committee are outlined in the mandates of those committees.

The Board is specifically responsible for:

- (a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer and other executive officers of the Company and that the chief executive officer and other executive officers create a culture of integrity throughout the organization;
- (b) appointing the chief executive officer and other senior management of the Company and, after considering the recommendation of the Compensation Committee, approving their compensation;
- (c) succession planning, including plans and processes for training and monitoring the performance of senior management;
- (d) adopting a strategic planning process that includes the annual consideration and approval of a strategic plan which takes into account the opportunities and risks of the Company's business;
- (e) identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- (f) overseeing the policies and procedures implemented by management to ensure the integrity of the Company's internal control and management information systems;
- (g) adopting a communication and continuous disclosure policy for the Company;
- (h) reporting annually to shareholders on its stewardship;
- (i) providing for measures that accommodate feedback from shareholders;
- (j) appointing Board committees, including a standing audit committee of the Board, and delegating to those committees any appropriate powers of the Board;
- (k) reviewing the size and composition required of the Board and undertaking, where appropriate, a program to establish a board size and composition which facilitates effective decision making;
- (l) developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company; and
- (m) reviewing annually its mandate and its own performance as a Board and the performance of Board committees and individual Board members to ensure the Board and its committees are operating effectively.

Measures for receiving feedback from stakeholders

Communications with stakeholders are primarily through the President & Chief Executive Officer and the Chief Financial Officer & Corporate Secretary of the Company. All publicly disseminated Company news releases shall provide contact information for these officers. A summary of significant feedback received from stakeholders shall be provided by these officers to the directors, usually at the next Board meeting, but in any event at least semi-annually.

Expectations and Responsibilities of Directors

In exercising the powers and discharging the duties of a director, every director must act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent individual would exercise in similar circumstances.

Directors are expected to:

- attend all regularly scheduled meetings and, to the best of their ability, all other meetings of the Board and of each committee of the Board upon which they sit;
- carefully review and consider in advance the meeting materials provided in order to be able to fully participate in and contribute to all discussions and decision making;
- be knowledgeable with respect to the business and affairs of the Company; and
- disclose any potential conflict of interest that may arise with respect to the business and affairs of the Company and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.

Expectations of Management

The day-to-day management of the Company and its operations is the responsibility of management under the direction of the chief executive officer. The Board expects management to manage and maintain the Company's operations efficiently and safely. The Board has adopted a Code of Business Conduct and Ethics that requires Company personnel to maintain the highest ethical standards of behaviour while conducting the Company's business.

Delegations and Approval Authorities

The Board delegates approval authorities to the chief executive officer and certain other senior management and reviews and revises these delegations as appropriate. The Board considers and, in the Board's discretion, approves financial commitments in excess of delegated approval authorities and all other material matters and transactions proposed by management.

Independent Advice

In discharging its mandate the Board shall have the authority to obtain, at the Company's expense, outside legal or other professional advice if appropriate.

APPENDIX B

WESTERN CANADIAN COAL CORP.

Section 6.5 of the Stock Option Plan

6.5 Amendments to the Plan

- (a) The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company, the Plan or the shareholders of the Company, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto. Notwithstanding this Section 6.5, the Board shall not be permitted to amend the Option Price except as set out in Section 5 of this Plan. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

- (b) The Board may from time to time by resolution amend the Plan and any Option granted under the Plan without shareholder approval, however, the directors, absent prior approval of the shareholders of the Company and of the Exchange or any other regulatory body having authority over the Company, will not be entitled to:
 - (i) increase the maximum percentage of Common Shares issuable by the Company pursuant to the Plan;
 - (ii) amend an Option grant for an Option held by an Insider to effectively reduce the Exercise Price, or to extend the Expiry Date;
 - (iii) make a change to the class of eligible participants which would have the potential of broadening or increasing participation by Insiders;
 - (iv) add any form of financial assistance; or
 - (v) add a deferred or restricted share unit or any other provision which results in an eligible participant receiving Shares while no cash consideration is received by the Company.