



Western Canadian Coal

WESTERN CANADIAN COAL CORP.

2008 ANNUAL GENERAL MEETING

TRANSCRIPT

Held on September 4, 2008 at 10:00am (PDT)

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JOHN BRODIE (CHAIRMAN): Good morning ladies and gentlemen. My name is John Brodie. It is my pleasure as a Director of the Company to welcome you and call to order the 2008 Annual and Special Meeting of the Shareholders of Western Canadian Coal. Our Chairman, John Byrne is unable to attend today's meeting. At the request of the Company's President and CEO, John Hogg, I've been selected by the Directors of the Company to act as Chair of this meeting. I'll act as Chairman, and I appoint Greg Jones, our Corporate Counsel and Corporate Secretary to act as Secretary of this meeting, and June Glover of Computershare Investors Services Inc., to act as Scrutineer for the meeting.

In addition to Mr. Hogg and Mr. Jones, the other senior management of the Company with us today include Bill Burton (Senior VP, Operations/Projects), Kathy Pomeroy (VP, Environment/Regulatory), Jeff Redmond (Director, Finance), David Jan (Manager, Investor Relations) and Jim Proc (Manager, Engineering), so we thank you all for coming.

For administrative convenience we have arranged for Jim Proc, a registered shareholder of the Company to move each of the motions to be properly brought before the meeting. The Articles of the Company provide that a motion at meeting of shareholders need not be seconded, accordingly for each item of business Mr. Proc will make the motion and then we will proceed immediately to any discussion of the motion.

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Now for the business of the meeting. Notice of this meeting was filed and notice calling of this meeting of shareholders together with the Management Information Circular, Proxy Form and the Annual Report was mailed to the shareholders on August 8, 2008. I have received a declaration adjusting to the publication of mailing and the Secretary will annex the declaration of the minutes – declaration to the minutes of this meeting, these minutes will be available for inspection by any registered shareholder. I propose that we waive reading the notice of meeting unless anybody specifically request to be read at this time. I see nobody requesting that. The Secretary has notified me that the Scrutineer's report is complete and that the quorum is present, notice have being given in accordance with the articles and a quorum being present, I declare the meeting to be properly constituted for the transaction of business and I direct that the report of the Scrutineer be annexed to the minutes of the meeting.

Before proceeding with the business of the meeting, I would like to remind everybody that only registered shareholders or proxy holders can move motions, ask questions, make comments, or vote. Before addressing the Chair, please identify yourself by name and advice whether you are a shareholder or proxy holder. I propose that we deal first with all of the routine business requirements of this meeting and then terminate the formal meeting and then carry on in a less formal manner by way of presentation by the President and an opportunity for questions

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from registered shareholders and proxy holders about the Company's activities or operations. Questions or comments with respect to any motion before the meeting can be made when the motion is being considered. We appreciate it, however; if questions and comments of a general nature were deferred until the question period.

On behalf of the Board and management I am pleased to report that the shareholders voting by proxy instructed their shares to be voted on any ballot in favor of management proposals as contained in the Management Information Circular by at least 97%. I propose to conduct the vote on all resolutions put to the meeting by show of hands unless a ballot is demanded or directed on a particular item of business.

The first item of business is the presentation to the shareholders of the financial statements of Western Canadian Coal for the fiscal year ended March 31, 2008, and the auditors report from the financial statements as required by the British Columbia Corporations Act. This material is contained in the Annual Report that was mailed to shareholders with Management Information Circular, their extra copies of the report available to shareholders upon request on the back table. Representative of the Auditors are here with us today, if you have any questions, Michael Cinament (phon) and Amy Cunningham of PricewaterhouseCoopers LLP, Chartered Accountants are

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available to respond. Unless any shareholder wishes, I propose to dispense with the reading of the auditors' report following the formal part of the meeting, you will have the opportunity to make comments or ask questions.

Setting the number of Directors. The next item of business is to set the number of Directors of the Company to be elected.

JIM PROC: Mr. Chairman, I move that the number of Directors to be elected to the Company's Board of Directors be set at seven.

JOHN BRODIE: Thank you. Is there any discussion on the motion? May I have vote on the matter by a show of hands. All those in favor? Contrary? I declare the motion carried.

The next item of business is the election of directors of the ensuing year. As indicated in the Management Information Circular, a slate of Directors has been announced. Could I please have nominations for Directors?

JIM PROC: Mr. Chairman, I nominate the following persons for election as Directors; John Brodie, John Byrne, Robert Chase, John Conlon, John Hogg, Charles Pitcher and Julian Treger.

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JOHN BRODIE: Thank you. For the information of shareholders and as indicated in the Management Information Circular, the seven individuals whose names have just been placed to nomination are currently Directors of your Company. Are there any further nominations? If there are no further nominations, I would ask for a motion that nominations be closed.

JIM PROC: Mr. Chairman, I shall move.

JOHN BRODIE: Thank you. Can I have a vote on the matter by a show of hands? All those in favor? Contrary? I declare the motion carried and that the seven persons nominated have been elected by acclamation as Directors of the Company to hold office until the termination of the next Annual General Meeting of the shareholders of the Company or until their successors are elected or appointed.

The Auditors of the Company are PricewaterhouseCoopers LLP Chartered Accountants. Management proposes that they be appointed until the next Annual General Meeting. May I now please have a motion for this purpose?

JIM PROC: Mr. Chairman, I shall move.

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JOHN BRODIE: Is there any discussion with respect to the appointment of auditors? May I have a vote on the matter by a show of hands? All those in favor? Contrary? I declare the motion carried.

May I have a motion that the remuneration of the auditors be set by the Directors by the Company.

JIM PROC: Mr. Chairman, I shall move.

JOHN BRODIE: Is there any discussion with respect to this motion? May I have a motion on the matter by a show of hands? All those in favor? Contrary? I declare the motion carried.

The next item of business to consider and deemed advisable, to pass a resolution to approve the Company's 2005 stock option plan. Pursuant to the rules of the Toronto Stock Exchange, a security based compensation arrangement that does not have a fixed maximum number of securities available such as the 2005 stock option plan must be approved by a majority of the shareholders every three years. The background behind this motion and the proposed form of motion are set out in the Management Information Circular. May I have a motion to approve the

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stock option plan in the form of the resolution set out on Page 8, of the Management Information Circular?

JIM PROC: Mr. Chairman, I shall move.

JOHN BRODIE: Is there any discussion with respect to the resolution? May I have a vote on the matter by a show of hands? All those in favor? Contrary? I declare the motion carried.

All of the business for which this Annual Meeting was called has been completed. Following termination of this formal part of the meeting registered shareholders and proxy holders who wish to ask questions or may make comments – or make comments will be invited to do so. May I have a motion to terminate the meeting?

JIM PROC: Mr. Chairman, I shall move.

JOHN BRODIE: May I have a vote on the matter by a show of hands? All those in favor? Contrary? I declare the motion carried in the formal part of this meeting is now terminated.

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I now invite John Hogg to make his presentation.

JOHN HOGG (President and Chief Executive Officer):

Thank you, John. Good morning fellow shareholders and thank you for joining us today. They say that into every life a little rain must fall, as your President and CEO I stand before you today suggesting that in 2008 the Company itself has suffered through some dark clouds and thunderstorms as we proceed with our growth plan that intends to produce 7 million tonnes of high quality coal by 2012.

This required an extremely flexible approach to find resolutions to problems that appeared; problems such as the following: The extreme volatility of the Canadian dollar had a major impact on revenues because our coal is priced in US dollars. As common in the industry we were locked into fixed price contracts negotiated well before the Canadian dollar took off, that at times did not cover the cost of production.

We were a new producer in the marketplace and as such had to offer incentives to allow us to approve ourselves to our customers. We had operational problems at Wolverine, our greenfield operation, like many resource companies today we suffer from continued labor shortages. However, we developed a plan and while also remaining in flexible and adapted and so emerged from the year successful, I am proud that we evolved into a profitable solid Company, with a solid infrastructure and

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a strong leadership team that can take the Company forward to an exciting and growing future.

At least we focus too much on the darkest moments of 2008, it was also a year that produced many bright spots and shining achievements. Probably, the most major was the building of our production capacity according to plan that there were other including the acquisition of Falls Mountain Coal from one of our largest shareholder Cambrian Mining, which help our growth plan and allow cost savings and developing our Brule mine to full capacity. The acquisition will also help the Company increase its coal reserves by about 16 million tonnes or 18%. It will allow the Company to begin producing PCI coal from Willow Creek earlier to take advantage of the record coal prices we are now seeing. It also provides opportunities to reduce operating costs, transportation and overhead costs through synergies created between Brule Mine and Willow Creek.

Our focus on producing high quality coal and taking advantage of strong shipping infrastructure help to establish us in the market as a reliable quality supplier and as such allow the Company to lock 100% of our current production into 3 to 5 year contracts.

We put in place a productivity improvement plans at the Wolverine operations under Bob Bays, our new Vice President and General Manger. This is turning around the operational issues at the mine, the plan was quite extensive and

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included additional senior management, improve logistics, improve drilling techniques, improved equipment utilization, a new warehouse and maintenance complex which came on stream earlier this year, more and better training of staff, and increased monitoring and measuring, so that we could understand where we could make better improvements.

The Brule Mine which continues to meet its cost and productivity into August thereby giving us the confidence and knowing that we can achieve our targets again received the John T Ryan safety Award. This is the 5th year that the award has been achieved at the mine for good safety.

Working through 2008, we achieved the permit for Wolverine to increase production to 3 million tonnes, no mean achievement in the current climate in terms of working towards getting permits for new mining processes. And we also have obtained our Willow Creek permit for 900,000 tonnes. For this coming year we are developing a permit to take our Willow Creek mine to 2 million tonnes per year.

So while 2008 was a year of some challenges for the Company it was also a year in which we could point with pride at our reactions to those challenges and the resulting achievements that grew from it. I believe Winston Churchill once said that success is going from challenge to challenge without the loss of enthusiasm, .and our challenge is set and we didn't dampen the enthusiasm of our team for the upcoming year.

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This is a testament to all of our employees and to those who touch the Company in one way or another, our suppliers and our service providers and other stakeholders that persevered on making it happen. Today, I can proudly say that we are over the hump with new contracts in place that increase our revenue considerably. We can now concentrate on continually improving our productivity and lowering our costs and developing our core assets, this will ensure we reach our growth targets as effectively as possible.

Thank you.

JOHN BRODIE: Thank you, John. Before I open it up for questions I just have few more remarks.

Thank you, everybody in this room because we would agree that fiscal 2008 has been a tumultuous year for Western Canadian Coal, in many ways its been very, very difficult, the Company has embarked on an ambitious plan to be one of the world's top producers of high grade metallurgical coal, rapid growth always presents some challenges. These included, the Company was operating in a high – in a tough transitional time marked by changing prices, caused by rapid movements in exchange rates and requirements to offer incentives to establish our high quality coal in the marketplace.

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We are impacted by the sudden rise in the value of the Canadian dollar and this result had a significant impact on our revenues. Wolverine, a greenfield operation is a complicated project. We experienced operational problems as we moved up the start-up curve. The operational problems and lower revenues caused the Company to acquire additional financing by the second quarter, this in term meant the Company needed to source additional funds to continue its growth plan. Management and the Board steadfast and with the increase in coal prices each difficulty was met with a solution. Meanwhile for the current coal year having established ourselves as a reliable producer of high quality metallurgical coal we've negotiated hard coking coal contracts at over \$300 per tonne, which are more than 250% higher than the previous year solving our most pressing revenue problem. All our current production volume is also locked up for 3 to 5 years, as John mentioned, with some of the largest steel mills in the world. We were able to weather the storm and at a short term financing problem when our major shareholder Cambrian Mining together with its larger shareholder, Audley Capital Advisors, inject capital to bridge the financing chasm and allow us to continue our plan. The bridge allowed us to continue our plan to grow by the acquisition of Willow Creek which will be turned into another top producer of high quality metallurgical coal in the Company's basket of assets.

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Throughout this all, our Brule Mine continues to be the foundation of the Company meeting its cost and production profiles, as mentioned by John. The operational difficulties of Wolverine are being addressed.

Thus we existed fiscal 2008 as a solid Company on solid ground and facing a bright future.

Higher prices raised us indeed they've almost rocketed us to record profitability for the first quarter. Net income for the first quarter 2009 was almost \$60 million, our earning per share of \$0.42 and \$0.27, on a basic and diluted basis respectively. The Company earned income from mining operations of \$53 million in the quarter, an increase from a loss in mining operations of \$4 million in the similar period for the pervious year. We expect that 2009 to be a solid year as the Company heads towards record earnings. With strong demand for a high grade coal for several years and most of our production locked up in long-term volume contracts we truly believe we are looking at a long-term future.

On behalf of the Board, I would like to thank John Hogg, and his management team for their dedication during a very difficult time for all shareholders. They have worked long hours, had great personal sacrifice and I thank each of them and their families for the dedication they've shown on behalf of the Board. Ladies and gentlemen, thank you for joining us today and for your interest in the Company, I'll now open the floor for questions.

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QUESTION AND ANSWER SESSION:

GARRY BROOK (phon): My name is Garry Brook (phon), I am a shareholder and at some point the Board had put a special committee together to determine valuations for the Company, I am just wondering where that is at this point?

JOHN BRODIE: John, you want to answer to that or I should.

JOHN HOGG: Yes, I can answer. You are talking about (Editor's note: the rest of the response was inaudible. The message was....the Strategic Review continues. As announced in June 2008, a number of third parties are conducting due diligence. That remains the same. When we have something new to announce we will. We have established a process and remain true to that process. The process did not define outcome or timeline. Also, there is no certainty that a transaction will take place). .

JOHN BRODIE: Thank you. Any other questions – are there any other questions? If there are none, management will be around for a short while after the meeting, if you wish to talk to them privately, but again would reiterate thank you very much for turning out tonight for this afternoon and this morning (I am ahead of myself, pardon behind myself, one of the two).

Thank you very much, this meeting is terminated. Thank you.

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