Coal Mining in Canada

Coal Resources

- Canada has an abundance of coal with 6.6 billion tonnes of recoverable coal reserves and an estimate of 100 years of future production.
- More than 90% of Canada’s coal deposits are located in western provinces which provide a strategic advantage because of the close proximity of west coast ports.
- Canada has anthracite, bituminous, sub-bituminous, lignite and coal deposits.
- Anthracite is used primarily for residential and commercial space heating and also in steel-making. None of this coal is currently being produced in Canada, although a new mining project in British Columbia is now in the planning stages.
- Bituminous coal is used primarily to make coke for steel-making and as fuel for electric power generation, and heat and power applications in manufacturing. Sub-bituminous and lignite coals are used for electric power generation.

Coal Mines

- Canada currently has 19 producing coal mines which are primarily located in the western part of the country.
- British Columbia has five mines, Alberta has nine mines and Saskatchewan has three mines. There are also two coal mines in Nova Scotia.
- The majority of Canada’s coal is produced by surface mining – either strip mining or open pit. Strip mining is only a temporary use of the land and reclamation can be carried out at the same time mining takes place. With open pit mining, once the pit is mined it’s backfilled with earth and resurfaced with native trees, shrubs and grasses.
- Canada has a number of new coal mines on the horizon with 25 coal projects currently going through various governmental regulatory processes.

Production

- Canadian coal production was 69 million tonnes (Mt) in 2014, split approximately 50% thermal and 50% metallurgical (coking) coal.

Export Markets

- Canada exported approximately 34.5 million tonnes of coal in 2014, a decrease of 4.6 Mt from 39.1 Mt in 2013.
- In 2014, close to 3.5 million tonnes of thermal coal was exported.
- 90% of Canada’s coal exports is coking coal.
- Canada is the world’s third largest exporter of coking coal, after Australia and the United States.
Domestic Markets

- Canadians count on coal-fired electricity generation for about 9.5% of their energy needs.
- Canada consumed 40 million tonnes of coal in 2012 and the majority of this consumption was used for coal-fired power generation.
- Some provinces rely heavily on coal-fired electricity. In Alberta for example, 55% of its electricity generation comes from coal. In Nova Scotia it’s 56% and Saskatchewan it’s 46%.
- Cost-effective and reliable coal-fired electricity contributes to a strong economic advantage for Alberta and Saskatchewan because of an abundance of locally sourced coal.

Transportation

- An efficient and inter-connected network connecting rail with ports is critical to get Canadian coal to foreign markets.
- Canada has two national railways (Canadian National and Canadian Pacific) which transport coal.
- About 80 per cent of the coal shipped by sea goes through British Columbia ports located in Vancouver and Prince Rupert. The remainder is shipped through the Port of Thunder Bay.

Economic and Social Benefits

- Coal plays a vital role in Canada’s economic and social well-being.
- Over 42,000 people are directly and indirectly employed thanks to the coal industry. This includes those who work in mine production, construction, exploration, transportation and reclamation activities as well as those who supply goods and services to the industry.
- Coal mining is an important contributor to Canada’s GDP – contributing an estimated $5.2 billion in direct and indirect impacts in 2011.
- In addition to royalties, the total economic impacts on government revenues in 2011 was estimated at $698 million, which was available to fund public infrastructure such as roads, hospitals, schools and government programs which have the potential to enrich the lives of Canadians.
- Coal companies make good neighbors. They ensure that local communities near their operations and offices benefit socially and economically from their business. Companies offer financial support in local programs such as recreation, youth organizations and educational institutions.
- Coal companies are important to the economic well-being of rural communities. They provide high quality job opportunities; contribute to the municipal tax base, and support area businesses by acquiring local goods and services.
- The mining industry is the largest employer of Aboriginal people in Canada and works with educational institutions and governments to provide training and employment opportunities.

Regulatory Environment

- Canada’s mining industry operates within a complex regulatory environment.
- There are some 35 federal acts and regulations related to the mining industry coupled with dozens of laws and regulations at the provincial and territorial levels.
- Canada has high reclamation standards. Alberta’s Mine Financial Security Program, for example, ensures that companies are legally responsible for reclaiming the land disturbed by mining activities.