



TSX-V: CAD

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### **NEWS RELEASE**

#### **COLONIAL COAL FILES NI 43-101 TECHNICAL REPORT FOR FLATBED PROJECT**

Vancouver, B.C., Canada – January 16, 2018 – Colonial Coal International Corp. (TSX-V: CAD) (the “**Corporation**” or “**Colonial Coal**”) is pleased to announce that, on January 10, 2018, it filed on SEDAR (the System for Electronic Document Analysis and Retrieval) a Technical Report (the “**Technical Report**”), in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Properties* (“**NI 43-101**”) requirements, detailing the initial exploration within the Gordon Creek area of its 100% owned Flatbed Coal Project (“**Flatbed**”) located in northeast, British Columbia. The Technical Report confirms the coal resources previously announced by the Company on November 27, 2017 for its 2017 exploration program conducted at Flatbed and updates the coal quality assessment confirming the resources as coking coal quality coals.

The Technical Report is authored by Derek Loveday, P.Geol., of Norwest Corporation (“**Norwest**”), who is the Independent Qualified Person for the Technical Report. As previously announced, geological modeling and resource estimation, carried out by Norwest on the Gordon Creek 2017 exploration program results, have identified an Inferred underground mineable coal resource of 298 million tonnes. Norwest’s review of the coal quality results from drill core samples indicates these coal resources have good coking properties after beneficiation. The coal resources estimated by Norwest are in accordance with the requirements of NI 43-101.

The Inferred coal resource estimates were determined using a minimum seam thickness of one metre, limited to a maximum depth below surface of 900 metres. Eight coal seams are present with true thicknesses from the exploration data ranging from 1.2 metres to 5.3 metres, combining for an average total true thickness of 20.9 metres. The average seam dip is 11 degrees towards the southwest. The resources estimated for each coal seam and the initial coal quality data derived from raw coal samples, together with the results from float-sink analyses, can be seen in the Company’s news release of November 27<sup>th</sup>.

On a dry, mineral matter free (dmmf) basis, volatile contents indicate that the coal seams range in rank from low volatile bituminous to medium volatile bituminous, according to the ASTM coal rank classification system. Analytical results indicate that the Gates coal seams within the Gordon Creek area are metallurgical coals that would yield a coking coal product after beneficiation in a wash plant. Float-sink analysis indicates that coal beneficiation could produce

a theoretical product ranging from an 8% to 9% ash air dried basis (adb) with yields ranging from 58.3% to 83.2% after adjustment for core loss in the test samples.

Recent tests performed on clean coal composites derived from the flotation and froth testing are tabulated below.

**Gordon Creek Clean Coal Composite Quality (adb)**

Seam	Clean Coal								Mean Maximum Reflectance (RoMax)	Gieseler Fluidity Max DDPM	Dilatation % S.D. 2.5	Base Acid Ratio
	Cut-Point		Clean Coal Composite Analysis (adb)									
	S.G.	Froth (sec)	Moist%	Ash%	VM%	S%	FSI	%P in Coal				
B*	1.50-1.55	30-60	0.51	8.85	25.04	0.92	8.5	0.081	1.19	1140	117	0.22
D	1.45	NSS	0.53	8.37	25.08	0.82	6.0	0.050	1.17	1120	78	0.10
E	1.5	NSS	0.56	8.16	22.58	1.32	8.0	0.041	1.29	286	64	0.11
F1	1.5	60	0.50	8.58	21.92	0.58	8.0	0.058	1.32	35	28	0.13
F2	1.6	60	0.43	8.27	21.27	0.39	7.0	0.046	1.32	4.4	-13	0.22
G	1.5	60	0.46	7.93	20.64	0.53	8.0	0.089	1.39	26	17	0.08
J	1.55	60	0.44	8.45	18.40	0.37	3.5	0.020	1.43	1.0	-	0.10
K	1.5	60	0.52	6.01	18.14	0.41	3.5	0.002	1.43	1.7	-	0.10

\*Weighted Average of FD17-01 and FD17-03A; FSI rounded to the nearest half-unit., NSS = not sufficient sample

Clean coal composite (“CCC”) samples using both floats and froths from each seam, targeting ash contents in the 8% to 9% (adb) range, typically clean to a low sulphur product; seven of the eight seams report less than 1% sulphur, with the exception being Seam E at 1.32%. The phosphorus-in-coal contents for all CCC’s range from 0.002% to 0.089%. FSI values range from 3.5 to 8.5, although most seams report a FSI of six or higher. Maximum fluidity values range between one to 1,140 dial divisions per minute (ddpm), while dilatation values range from minus 13 to plus 117. Base/acid ratios range from 0.08 to 0.22, with the majority below 0.13. Mean maximum vitrinite reflectance (RoMax) values (from 1.17 to 1.43) fall within the range for coking coals traded on the seaborne market.

From the results of the initial coal quality testing program on Gates Formation coal seams in the Gordon Creek area, it is reasonable to anticipate that product coals from Seams B to G could be marketed as hard coking coals, while coals from Seams J and K (the deepest seams, representing approximately 28.6% of the reported resources, and the seams that would likely be mined last), would meet the requirements of the semi-soft coking coal market.

Based on the above findings, Norwest has recommended further exploration to advance the Flatbed project as well as an internal, high-level mining study to determine whether or not to proceed with a Preliminary Economic Assessment based upon current data. Further exploration recommended by Norwest includes additional drilling within the Gordon Creek area and 2D seismic surveys. The additional drilling would be to further advance the definition of the geology, resource and coal quality potential. The 2D seismic surveys would be designed to identify coal seams and geological structures both within the Gordon Creek area and over the eastern anticline target area. It is expected this work will total approximately \$2.6 million.

The scientific and technical disclosure in this news release has been approved by Derek Loveday, P.Geo, of Norwest, a Professional Geologist and Qualified Person as defined in NI 43-101.

### **About Colonial Coal International Corp.**

Colonial Coal is a publicly traded coal corporation in British Columbia that focuses primarily on coking coal projects. The northeast Coal Block of British Columbia, within which our Corporation's projects are located, hosts a number of proven deposits and has been the subject of M&A activities by Xstrata, Anglo-American and others.

Additional information can be found on the Corporation's website [www.ccoal.ca](http://www.ccoal.ca) or by viewing the Corporation's filings at [www.sedar.com](http://www.sedar.com).

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### **Forward-Looking Information**

Information set forth in this news release involves forward-looking statements, including statements relating to the Corporation's potential sale of an interest in its Flatbed Property. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a Corporation's expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with marketing and sale of securities; the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers or directors with certain other projects; and the volatility of common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and except as required by law, the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

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