Colonial Coal International Corp.
Western Canada’s Leading Coking Coal Developer
April 2020 Investor Presentation
This presentation may contain forward-looking statements, and forward-looking information under applicable securities laws including management’s expectations of future production, cash flow, and earnings. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks and uncertainties include, but are not limited to: the risks associated with the commodity industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Colonial Coal undertakes no duty to update any of the forward-looking information herein. The reader is cautioned not to place undue reliance on forward-looking statements.

The scientific and technical information relating to the Huguenot and Flatbed properties have been derived from the Huguenot Project Technical Reports (dated July 31, 2018 and January 8, 2020) and the Gordon Creek Project (Flatbed Coal property) Technical Report (dated December 21, 2018), respectively. These reports have been filed on sedar.com under Colonial Coal International Corp. (Colonial). Copies of the technical reports will be made available to investors upon request.

The information contained in this document has not been reviewed or approved by the U.S. Securities and Exchange Commission or any provincial or state securities regulatory authority. Any representation to the contrary is unlawful. This document does not include a complete description of Colonial or any offering. Any offer of securities Colonial will be made only pursuant to a subscription agreement and the provisions of applicable law. Any securities to be offered for sale by Colonial are not expected to be registered in the United States under the Securities Act or under any state securities laws.

Cautionary Note to US Investors Concerning Resource Estimate:

The resource estimates in this document were prepared in accordance with National Instrument 43-101, adopted by the Canadian Securities Administrators. The requirements of National Instrument 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”). In this document, we use the terms “measured,” “indicated”, and “inferred” resources. Although these terms are required and recognized in Canada, the SEC does not recognize them. The SEC permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute “reserves.” Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a measured or indicated resource will ever be converted into “reserves”. Further, “inferred resources” have a great amount of uncertainty as to their existence and whether they can be mined economically or legally, and United States investors should not assume that “inferred resources” exist or can be legally or economically mined, or that they will ever be upgraded to a higher category.
Unparalleled Investment Opportunity

- Provides exposure to a long-term Asian growth story
  - Increasing demand for high quality coking coal driven by long-term Asian growth
  - Western Canadian coal projects have cost-advantaged access to East Asian markets
- Gain exposure to one of the most active coal belts in a mining friendly jurisdiction with excellent infrastructure in place
  - Recent acquisitions by Walter Energy, Anglo American (PRC), Glencore (via Xstrata), JX Nippon, Conuma, Winsway / Marubeni and SonicField (CST Coal) plus M&A and JV activity by Hancock and Bathurst in SEBC
  - Capacity expanded at western Canadian coal ports
- Strategically located, 100% owned metallurgical coal properties adjacent to other major projects provide logical buyer and partnership opportunities
  - Huguenot located between Anglo’s Belcourt and Saxon projects
  - Flatbed located adjacent to Anglo’s Trend mine (currently under care and maintenance) and Teck’s proposed Window Mine (Quintette); also near Conuma’s operating Perry Creek and proposed Hermann mines (Wolverine) plus HD Mining’s advanced Murray River underground project

Company Overview

- Invest in two of the largest deposits of premium quality hard coking coal in western Canada
  - The only Canadian listed, publicly traded, pure-play metallurgical coal company in western Canada: 100% interest in 2 resource-stage coal projects (Huguenot & Flatbed) in the Peace River Coalfield of northeastern British Columbia
  - Surface and underground mineable resources totalling approximately 277.7 Mt of Measured & Indicated plus 119.2 Mt of Inferred resources at Huguenot
  - Underground mineable resources totaling approximately 298 Mt Inferred at the Gordon Creek Project on the Flatbed property
- Highly experienced management team with a proven track record in the Peace River Coalfield
  - Highly capable management team with significant experience advancing other development projects to production in the region
  - David Austin (President, CEO & Chairman) co-founded and built Western Coal Corp., which was sold to Walter Energy in 2010 for CAD$3.3 billion and is credited for the exploration, development and sale of Northern Energy & Mining Inc. (NEMI) to Anglo for +CAD$400 million

TSX-V: CAD  www.ccoal.ca
The value of coal production in BC is forecast to exceed CAD$6.71 billion in 2019 up from CAD$6.31 billion in 2018.

The region enjoys access to low-cost power, high-quality road and rail networks and major deep water seaports.

British Columbian ports provide the closest port of entry on the west coast of North America to Asia.

Since 2010 Western Canada has seen significant M&A activity in the metallurgical coal market:

### Western Canadian Coal Overview

- **Walter Energy** - Western Coal, CAD$3.3 B
- **Anglo American** - Residual interest in Peace River Coal, +CAD$400 M
- **Glencore** - First Coal and Lossan, US$193 M
- **Winsway / Marubeni** - Grande Cache Coal, CAD$1.0 B
- **Glencore** - Talisman’s Sukunka Project, US$500 M
- **JX Nippon** - 25% of Glencore’s BC coal assets, US$435 M
- **Conuma** - Walter Energy’s wholly-owned BC assets, n/a
- **SonicField (CST Coal)** - Winsway / Marubeni, US$475 M
- **Hancock Prospecting** - Riversdale Resources, AUS$737 M
- **Bathurst** - 50% of Jameson’s Crown Mtn. Project, CAD$122 M

### Access to East Asian Markets

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<table>
<thead>
<tr>
<th>Buyer</th>
<th>Target</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter Energy</td>
<td>Western Coal</td>
<td>CAD$3.3 B</td>
</tr>
<tr>
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<td>50% of Jameson’s Crown Mtn. Project</td>
<td>CAD$122 M</td>
</tr>
</tbody>
</table>
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Note: Met coal includes all coals directed to metallurgical end markets (i.e. coking coals and PCI coals).

1. At the time Xstrata
2. Recent, pending offer
3. Recently, reported election to move to a joint venture

Source: AME, BC Ministry of Energy, Mines and Petroleum Resources
Note: Shipping Days calculated at vessel speed of 15 knots
## Management Team and Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Experience/Role Details</th>
</tr>
</thead>
</table>
| David Austin          | Chairman, President & CEO    | - Co-founder of Colonial Coal Corp., Western Coal Corp. (WCC), and Northern Energy & Mining Inc. (NEMI)  
- One of the three founders credited for the success on the production of WCC projects (WCC was sold CAD$3.3 billion to Walter Energy in 2010)  
- Credited for the success on the exploration/development and sale of NEMI to Anglo (for +CAD$400mm) |
| Matthew J. Anderson   | CFO                          | - Chartered Professional Accountant since 2008  
- 10 years experience as CFO of junior public companies including I-Minerals Inc., Callinex Mines Inc.  
- Bachelor of Commerce - McGill University |
| John Perry            | COO & Director               | - 45 years as a professional geologist in exploration and development of coal & mineral projects (domestic and int'l.)  
- Occupied senior corporate & exploration management roles for many coal projects in northeast British Columbia  
- Former Director of Exploration - Belcourt Saxon Coal Limited Partnership 2005-2008  
- Former Manager of Exploration - Northern Energy and Mining Inc. (NEMI) 2004-2005 |
| Partha S. Bhattacharyya| Director                     | - Director - Deepak Fertilizers and Petrochem. Corp. Ltd. & Haldia Petrochem. Ltd. 2016-Present  
- Former Chairman & Managing Director - Coal India Limited 2006-2011  
- Former Chairman & Managing Director - Bharat Coking Coal Ltd. (BCCL) 2003-2006  
- Fellow - the Institute of Cost and Works Accountants of India & of the World Academy of Productivity Science |
| Ian Downie            | Director                     | - Professional negotiator with an established mediation and dispute resolution consulting company  
- Former Director of Terminal Operations - BC Ferry Corporation 1999-2007  
- Former Director - Cranbrook Credit Union & the Credit Union Deposit Insurance Corp.  
- Former Commissioner – the Financial Institution Commission |
| Tony Hammond          | Director                     | - Over 40 years of experience as Mining Engineer (including 18 years with Anglo American Corp.)  
- Former Director - Northern Energy & Mining Inc. (NEMI) 1996-2008  
- Founder, Chairman & Managing Director - Great Orme Mines & the Ancient Mining Research Foundation  
- Chief Consulting Mining Engineer - Robertson Research International 1981-1984 |
| Greg Waller           | Director                     | - Retired in 2017 as Senior Vice President Investor Relations & Strategic Analysis - Teck Resources (the world's second largest, & North America's largest, steelmaking coal producer)  
- Extensive knowledge of various commodity markets, industry participants and significant global mining assets  
- Involved with major strategic decisions as leading spokesperson & member of the Teck’s senior management team |
Western Canada Met Coal Project Comparison

- In February 2019, Hancock Prospecting Pty Ltd announced that it had offered to acquire all of the outstanding ordinary shares of Riversdale Resources Limited that it did not already own.
- Implies a TEV of AUS$737 million for Riversdale (100.0% basis).
- Riversdale’s primary asset is the Grassy Mountain coking coal project, which is within the Crowsnest Pass Coalfield and is located in the province of Alberta.

<table>
<thead>
<tr>
<th>Projects Comparison</th>
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</thead>
<tbody>
<tr>
<td><strong>Grassy Mountain</strong></td>
</tr>
<tr>
<td><strong>Project Description</strong></td>
</tr>
<tr>
<td><strong>Location</strong></td>
</tr>
<tr>
<td><strong>Coal Type</strong></td>
</tr>
<tr>
<td><strong>Total Resource</strong></td>
</tr>
<tr>
<td><strong>Acquisition Offer / Total Resource</strong></td>
</tr>
<tr>
<td><strong>Operating Metrics</strong></td>
</tr>
<tr>
<td><strong>Mine Type</strong></td>
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<tr>
<td><strong>Mine Life</strong></td>
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<tr>
<td><strong>Strip Ratio</strong></td>
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<tr>
<td><strong>LOM ROM Coal Production</strong></td>
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<tr>
<td><strong>LOM Clean Coal Production</strong></td>
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<tr>
<td><strong>LOM Avg. Annual Clean Coal Production</strong></td>
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<tr>
<td><strong>LOM Avg. Yield</strong></td>
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<td><strong>Costs</strong></td>
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<tr>
<td><strong>Total FOB Cost</strong></td>
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<td><strong>Initial Capital Cost</strong></td>
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<td><strong>Notes:</strong></td>
</tr>
<tr>
<td><strong>HCC and PCI defined as Hard Coking Coal and Pulverised Coal Injection, respectively</strong></td>
</tr>
<tr>
<td><strong>1</strong></td>
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<td><strong>2</strong></td>
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</table>

TSX-V: CAD  www.ccoal.ca
Company Overview: Colonial Coal

Colonial’s Projects: Two of the Largest Hard Coking Coal Deposits in the Region

- Huguenot has a contained resource of 277.7 million tonnes of combined Measured and Indicated resources plus 119.2 million tonnes of Inferred resources, making it one of the largest deposits in the region
- The Gordon Creek deposit on the Flatbed property has a contained resource of 298 million tonnes of inferred resources
- Coals from both Huguenot and Flatbed rank as premium metallurgical coking coals
- The coals are amenable to washing to a low-ash product with low sulfur and low phosphorus
- Similar coal quality to Anglo's nearby Trend mine (premium product exported to Asia)

### Surface Resources

<table>
<thead>
<tr>
<th></th>
<th>North</th>
<th>Middle</th>
<th>South</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured + Indicated (MT)</td>
<td>66.2</td>
<td>46.9</td>
<td>18.8</td>
<td>132.0</td>
</tr>
<tr>
<td>Inferred (MT)</td>
<td>0.0</td>
<td>0.5</td>
<td>0.0</td>
<td>0.5</td>
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</table>

### Underground Resources

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<th></th>
<th>North</th>
<th>Middle</th>
<th>South</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Measured + Indicated (MT)</td>
<td>37.6</td>
<td>31.2</td>
<td>77.0</td>
<td>145.7</td>
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<tr>
<td>Inferred (MT)</td>
<td>86.8</td>
<td>1.6</td>
<td>30.2</td>
<td>118.7</td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
<tr>
<th></th>
<th>North</th>
<th>Middle</th>
<th>South</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured + Indicated (MT)</td>
<td>103.8</td>
<td>78.1</td>
<td>95.8</td>
<td>277.7</td>
</tr>
<tr>
<td>Inferred (MT)</td>
<td>86.8</td>
<td>2.1</td>
<td>30.2</td>
<td>119.2</td>
</tr>
</tbody>
</table>

**Note:** All volumes are in million tonnes (Mt).
Willow Creek - Producing
Reserves: 11.0 Mt
Production (2019): 82,000 Mt ROM

Brule - Producing
Reserves: 12.3 Mt
Production (2019): 2.62 Mt ROM

Wolverine
Perry Creek - Producing
Reserves: 5.0 Mt
Production (2019): 1.19 Mt ROM

Hermann - Permitting
Reserves: 22 Mt
Target Production: 1.5-3 Mtpa
Estimated Mine Life: 5-7 Years

Quintette (Mt. Babcock)
Approved Mine Permit
Clean Coal Reserves: 37 Mt
Resources: 239 Mt
Target Production: 3-4 Mtpa

Mt. Duke - Historical Feasibility
Historical "Resources": 251.5 Mt

Trend & Roman
Care & Maintenance
Clean Coal Reserves: 34.1 Mt
Resources: 35.6 Mt
Target Production: 2-2.5 Mtpa

Belcourt - Saxon
Belcourt - Feasibility Level
Clean Coal Reserves: 57 Mt
Resources: 171.2 Mt
Target Production: 4 Mtpa

Saxon – Historical Feasibility
Historical "Reserves": 76 Mt

Suska - Resource Definition
Resources: 185 Mt
Target Production: 3 Mtpa

Tumbler Ridge
WOLVERINE
PERRY CREEK
HERMANN
QUINTETTE
TREND & ROMAN
BELCOURT
SAXON
WAPITI
HUGUENOT

Flatbed (Gordon Ck. Area) PEA
Resources: 298 Mt (Inferred)
Product Tonnes: 57.4 Mt
Target Production: 1.6-2.6 Mtpa

Wapiti - Resource Definition
Resources: 758.6 Mt
Target Production: 10 Mtpa

Huguenot - PEA
Resources: 277.7 Mt (M+Ind) plus 119.2 Mt (Inf.)
Product Tonnes: 72 Mt
Underground: 50 Mt
Target Production: Open Pit: 2.7 Mtpa
Underground: 1.8 Mtpa

Murray River - Approved Mine Permit
Projected Resources: 688 Mt
Target Production: 6 Mtpa

Colonial Coal Corp.

www.ccoal.ca
Colonial Projects Overview: Conceptual Infrastructure Development Plan

HUGUENOT

- 2018 PEA contemplates an 85 km, 3rd party built rail spur that would be available for use by other potential producers in the region (less if overland conveyor used) to connect the project to the main rail line
- 2020 PEA Contemplates trucking to the existing rail line via up-graded off-highway roads (~75 km) and existing paved highway (~36 km)

FLATBED

- An independent coal loadout, if required, will access existing rail with a short spur line
- Lies within a few kilometers of an existing Provincial Highway

JOINT DEVELOPMENT POTENTIAL

- Sharing in the development of joint infrastructure (roads / rail) with other operators and potential operators in the region would lower initial capital costs at Huguenot and Flatbed
- Huguenot is adjacent to the Belcourt Project (Anglo) with the Duke Mountain (Teck) and Wapiti (Canadian Dehua) properties located nearby and along the proposed transportation route
- Development / operating costs would be distributed across all operators in the region for greater scale and lower per tonne cost
- While rail is the preferred mode of transportation in the region, trucking coal is viable although more expensive on a per tonne basis

TSX-V: CAD  www.ccoal.ca
Colonial Projects Overview:

HUGUENOT
Company Overview: Colonial Coal

HUGUENOT PROPERTY

- Situated adjacent to the proposed Belcourt South open pit (owned by PRC/Anglo): Similar coal characteristics
- Trucking distance of ~111 road-km from Quintette and PRC loadouts - also accessible by ~85 km rail spur (or combination rail and overland conveyor) - to link with existing rail line
- Amenable to surface and underground mining
- 1.5% royalty FOB port
- Gates Formation coal seams: the same as past and current producers in the Tumbler Ridge area
- 2018 PEA contemplates an 85 km, 3rd party built rail spur that would be available for use by other potential producers in the region (less if overland conveyor used) to connect the project to the main rail line
- 2020 PEA contemplates trucking to the existing rail line via upgraded off-highway roads (~75 km) and existing paved highway (~36 km)
- Each PEA builds upon an original study prepared in 2013 and updated in 2018, using then current scoping level cost estimates and economic analyses.
- The 2013 and 2018 mining studies were based upon a combination of open pit and underground mining methods.
- During the 2018 update, Stantec recognized an opportunity for expansion of the open pit to higher stripping ratios, with correspondingly higher recoverable tonnages of mineable coal, which led to the 2020 examination of a stand-alone surface mining option for a new PEA.
Company Overview: Colonial Coal

HUGUENOT PROPERTY

2020 PEA Highlights (Open Pit Only)

- The 2020 study used previously reported surface mineable resources to develop a revised conceptual mine plan utilizing a stand-alone open pit.
- A more detailed analysis of the open pit design and equipment selection was carried out that yielded larger mineable open pit tonnage, longer mine life, and a lower cost mining operation.
- Alternative means of product coal transportation were considered that resulted in a revised plan to transport coal by conventional haul trucks from the mine to the existing rail line south of Tumbler Ridge, as opposed to the previous concept of direct rail transport from the mine.
- The trucking concept has the advantage of lower capital costs, lower risk and a shorter construction schedule than the rail option.
- The capital expenditures are based on two scenarios.
  - The first scenario assumes that all major mining equipment is purchased outright in the year in which it is required for the mining operation. This includes replacements as they are required over the life of the mine.
  - The second scenario assumes that the major mining equipment will be leased in the year in which it is required for the mining operation and that replacements will also be leased when the equipment needs to be replaced.
- Based on the purchased equipment scenario the financial analysis suggests that the coal price required to achieve a zero NPV at discount rates of 5%, 7.5% and 10%, respectively, is about US$113, US$120 and US$125 per tonne. A coal price of US$137 per tonne is required for an IRR of 15%.
- Based on the leased equipment option the financial analysis suggests that the coal price required to achieve a zero NPV at discount rates of 5%, 7.5% and 10%, respectively, is about US$114, US$119 and US$125 per tonne. A coal price of US$137 per tonne is required for an IRR of 15%.

Huguenot Project
NPV (millions) at Varying Discount Rates with IRR

**All costs are in US dollars but, where Canadian dollar equivalents are provided, they have been converted using an exchange rate of US$1.00 equals CAD$1.316**

<table>
<thead>
<tr>
<th>PEA 2020 Coal Price/Tonne</th>
<th>PURCHASED EQUIPMENT SCENARIO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>US$174</td>
<td>$1,482</td>
</tr>
<tr>
<td>CAD$224</td>
<td>$1,949</td>
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</table>

<table>
<thead>
<tr>
<th>PEA 2020 Coal Price/Tonne</th>
<th>LEASED EQUIPMENT SCENARIO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>US$174</td>
<td>$1,474</td>
</tr>
<tr>
<td>CAD$224</td>
<td>$1,939</td>
</tr>
</tbody>
</table>
2020 PEA Highlights (Open Pit Only)

- Measured and Indicated surface mineable coal resources total 132.0 million tonnes, with an additional Inferred resource of 0.5 million tonnes. Not included for mining in the 2020 PEA are in-situ underground mineable resources totaling 145.7 million tonnes (Measured and Indicated) and 118.7 million tonnes classified as Inferred.

- The 2020 PEA economic analysis is based on a conceptual open pit mine plan targeting 99 million run-of-mine (“ROM”) tonnes of resource at an overall stripping ratio of 10.5:1 (bank cubic metres (bcm):ROM tonnes), yielding 72 million tonnes of product coal over a mine life of 27 years. The previous PEAs identified a smaller open pit with ROM tonnage of 56 million tonnes at a stripping ratio of 8.6:1, that yielded 39 million tonnes of product coal over 13 years.

- Projected clean coal production from open pit mining operations ranges from 0.7 million tonnes per annum (“Mt/a”) to 3.0 Mt/a, averaging approximately 2.7 Mt/a.

- Potential coal production is identified as hard coking coal similar to coking coal currently exported from northeast British Columbia.

  - The stand-alone open pit cash operating costs for the purchased equipment scenario are estimated at US$55.08 per tonne of product coal at the mine gate. The cash operating costs for the leased equipment scenario are estimated at US$61.47 per tonne.

  - Estimated direct operating plus offsite costs for the purchased equipment scenario (i.e., FOB cost), total US$91.90 per clean tonne (excluding production taxes and royalties). The FOB cost for the leased equipment scenario is estimated at US$98.29 per clean tonne (excluding production taxes and royalties).

  - Pre-production capital cost for the proposed mine in the purchased equipment scenario is estimated at US$510 million, with additional sustaining capital of US$215 million over the life-of-mine (LOM). Pre-production capital cost in the leased equipment scenario is estimated at US$303 million, with additional sustaining capital of US$42 million over the LOM.

  - The Huguenot Project's proposed payback of initial capital is estimated within four years from start-up of operations for both scenarios.
Colonial Projects Overview: 
HUGUENOT PROPERTY

2018 PEA Highlights (Open Pit and Underground Mine)

- The Huguenot Project has an indicative after-tax (and royalty) net present value (NPV) of US$1,166 million (CAD$1,516 million) using a 7.5% discount rate, and an internal rate of return (IRR) of 33%, based on a coking coal price of US$172.0 per tonne.

- The Huguenot PEA is based on conceptual open pit and underground mine plans that target 122.3 million run-of-mine (ROM) tonnes of resource, with a yield of 73%, producing 89.3 million tonnes of clean coal over a mine life of 31 years.

<table>
<thead>
<tr>
<th>PEA 2018 Coal Price/Tonne</th>
<th>Huguenot Project NPV (millions) at Varying Discount Rates with IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>US$172</td>
<td>$1,669</td>
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<tr>
<td>CAD$224</td>
<td>$2,170</td>
</tr>
</tbody>
</table>

* The exchange rate used in this report is US$1.00 equals CAD$1.30

- The conceptual open pit mine plan targets 56 million ROM tonnes of resource at an average stripping ratio of 8.6 :1 (bank cubic metres :ROM tonnes) while the conceptual underground mine plan targets an additional 66 million ROM tonnes of resource.

- The open pit operates during Years 1 - 14 while the underground mine would operate during Years 3 - 31, with both the open pit and underground mine operating simultaneously during Years 3 - 14.

- Measured and Indicated coal resources total 277.7 million tonnes (132.0 million tonnes surface plus 145.7 million tonnes underground).

- Inferred resources total an additional 119.2 million tonnes (0.5 million tonnes of surface plus 118.7 million tonnes underground).

- In full mine operation, projected clean coal production from combined surface and underground mining operations ranges from 1.4 to 5.9 Mtpa, and averages approximately 3.0 Mtpa.

- The pre-production capital cost for the proposed surface and underground mine is estimated at US$661 million (CAD$859 million), with additional sustaining capital of US$178 million (CAD$231 million) over the life-of-mine (LOM).

- The proposed payback of initial capital is estimated within 5 years from start-up of operations.

- The Huguenot Project’s total cash operating cost is estimated at US$106.96 (CAD$139.05) per clean coal tonne.

- This includes direct mine site costs of US$67.20 per tonne, offsite costs (transportation and port charges) of US$28.30 per tonne and indirect costs of US$11.46 per tonne.
Colonial Projects Overview:
Huguenot Project Coal Quality Comparison

The Huguenot Project is projected to produce a clean premium hard coking coal (HCC) product with low ash, low sulfur, low phosphorus, and High FSI.

<table>
<thead>
<tr>
<th></th>
<th>Huguenot HCC(^1)</th>
<th>Canadian NEBC HCC(^2)</th>
<th>Canadian SEBC HCC(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Moisture (% as received)</td>
<td>9</td>
<td>8 - 9</td>
<td>8</td>
</tr>
<tr>
<td>Volatile Matter (% air dry)</td>
<td>22.5 - 23.5</td>
<td>23.0 - 24.5</td>
<td>21.0 - 27.0</td>
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<tr>
<td>Ash Content (% air dry)</td>
<td>8.50 – 9.00</td>
<td>8.25 - 8.60</td>
<td>8.50 - 9.60</td>
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<tr>
<td>Sulphur Content (% air dry)</td>
<td>0.40</td>
<td>0.45 - 0.55</td>
<td>0.35 - 0.75</td>
</tr>
<tr>
<td>Free Swelling Index (FSI)</td>
<td>6.5 - 7</td>
<td>7 - 8</td>
<td>6 - 8</td>
</tr>
<tr>
<td>Mean Max Reflectance of Vitrinite (%)</td>
<td>1.15 - 1.20</td>
<td>1.15 - 1.25</td>
<td>1.08 - 1.35</td>
</tr>
<tr>
<td>Maximum Fluidity (ddpm)</td>
<td>100</td>
<td>150 - 300</td>
<td>40 - 300</td>
</tr>
<tr>
<td>Phosphorus in Coal (% dry)</td>
<td>0.044</td>
<td>0.008 - 0.040</td>
<td>0.010 - 0.065</td>
</tr>
<tr>
<td>Base/Acid Ratio of Ash</td>
<td>0.08 - 0.10</td>
<td>0.12 - 0.18</td>
<td>0.07 - 0.10</td>
</tr>
<tr>
<td>Coke Strength after Reaction (CSR)</td>
<td>60 - 65</td>
<td>58 - 60</td>
<td>68 – 72</td>
</tr>
</tbody>
</table>

\(^1\) Results based on laboratory scale washing and testing of exploration samples.

\(^2\) Results based on full washing plant under operating conditions.

Data Source: Kobie Koomhof Associates Inc.
Company Overview: Colonial Coal

FLATBED
Colonial Projects Overview:
Gordon Creek Metallurgical Coal Project (Flatbed Property)

**PROJECT SUMMARY**

- Proximal to supportive infrastructure such as existing rail line, power, Provincial highway, town of Tumbler Ridge.
- Located near currently and recently producing coal mines (with rail loadouts and wash plants) plus several other very advanced, permitted, coal projects
- Amenable to underground mining
- 1.5% royalty FOB port
- Gates Formation coal seams: the same as past and current producers in the Tumbler Ridge area
- Hard Coking Coal (HCC) – Seams B to G plus Premium Pulverized Coal Injection (PCI) Coal – Seams J and K

**MAP**

- PRC Rail Loadout
- Possible Flatbed Rail Loadout
- Proposed Rail Line to Huguenot
- Proposed Power Line to Huguenot
- Proposed Flatbed Rail Loadout
- Trend Pits
- Murray River Loadout Area
- Windy Pit
- Babcock Mtn.
- Roman Pit Area
- Proposed Window Pit Footprint
- Proposed Flatbed U/G Portal & Decline
- Proposed Wash Plant
- Proposed Flatbed U/G Portal & Decline
- Proposed Sub-Station
- Proposed Power Line to Huguenot
- Gordon Creek Resource Area
- Trend Mine Haul Rd.
- Proposed Flatbed U/G Portal & Decline
- Paved Highway (36 km)

TSX-V: CAD  www.ccoal.ca
Colonial Projects Overview:
Gordon Creek Metallurgical Coal Project (Flatbed Property)

Gordon Creek Project (Flatbed) 2018 PEA Highlights

- The Gordon Creek Project has an indicative after-tax (and royalty) NPV of US$691 million (CAD$898 million) using a 7.5% discount rate, and an IRR of 24.4%, based on a weighted average coking coal price of US$164.8 per tonne and a premium pulverized coal injection coal price of US$140.5 per tonne.

- The Gordon Creek PEA is based on a conceptual underground mine plan that targets 111.6 million ROM tonnes of resource, with a yield of 51%, producing 57.4 million tonnes of clean coal over a mine life of 30 years.

- Geological modeling and resource estimation of the Gordon Creek deposit have identified an Inferred coal resource of 298 million tonnes.

- In full mine operation, projected clean coal production ranges from 1.6 to 2.6 Mtpa, and averages approximately 1.9 Mtpa.

- The pre-production capital cost for the underground mine is estimated at US$300 million (CAD$391 million), with additional sustaining capital of US$406 million (CAD$528 million) over the LOM. The proposed payback of initial capital is estimated to be within three years from the start of coal production.

- The Gordon Creek project’s total cash operating cost is estimated at US$80.91 (CAD$105.19) per clean coal tonne. This includes direct mine site costs of US$41.16 per tonne, offsite costs (transportation and port charges) of US$25.42 per tonne and indirect costs of US$14.33 per tonne.

<table>
<thead>
<tr>
<th>PEA 2018 Overall Average Coal Price/Tonne</th>
<th>Gordon Creek Project (Flatbed) NPV (millions) at Varying Discount Rates with IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>US$160.5</td>
<td>$1,081</td>
</tr>
<tr>
<td>CAD$208.7</td>
<td>$1,405</td>
</tr>
<tr>
<td>US$160.5</td>
<td>$691</td>
</tr>
<tr>
<td>CAD$208.7</td>
<td>$898</td>
</tr>
<tr>
<td>US$160.5</td>
<td>$446</td>
</tr>
<tr>
<td>CAD$208.7</td>
<td>$579</td>
</tr>
<tr>
<td>10%</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

Note: The exchange rate used in this report is US$1.00 equals CAD$1.30
Colonial Projects Overview:
Gordon Creek Metallurgical Coal Project (Flatbed Property)

Premium clean hard coking coal product (Seams B, D, F (combined F1 and F2), and Seam G, totalling 71.4% of the reported resources) plus a premium pulverized coal injection (PCI) product (Seams J and K, totalling 28.6% of the reported resources).

### Coal Quality Comparison

#### Gordon Creek PCI Coal VS. Export PCI from Queensland/NEBC

<table>
<thead>
<tr>
<th></th>
<th>Gordon Creek PCI Coal(^1)</th>
<th>Low Vol PCI from QLD/NEBC(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Seam J</td>
<td>Seam K</td>
</tr>
<tr>
<td>Total Moisture (% as received)</td>
<td>8.0 - 9.0</td>
<td>8.0 - 9.0</td>
</tr>
<tr>
<td></td>
<td>Min</td>
<td>Max</td>
</tr>
<tr>
<td>Volatile Matter (% air dry)</td>
<td>18.5</td>
<td>18.2</td>
</tr>
<tr>
<td>Ash Content (% air dry)</td>
<td>8.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Sulphur Content (% air dry)</td>
<td>0.37</td>
<td>0.41</td>
</tr>
<tr>
<td>Free Swelling Index (FSI)</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Hardgrove Grindability Index (HGI)</td>
<td>80</td>
<td>79</td>
</tr>
<tr>
<td>Carbon Ultimate DAF %</td>
<td>90</td>
<td>89</td>
</tr>
<tr>
<td>Hydrogen Ultimate DAF %</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Mean Max Reflectance of Vitrinite (%)</td>
<td>1.43</td>
<td>1.43</td>
</tr>
<tr>
<td>Phosphorus in Coal (% dry)</td>
<td>0.020</td>
<td>0.002</td>
</tr>
<tr>
<td>Calorific Value (Gross air dry) Kcal/kg</td>
<td>7913</td>
<td>8138</td>
</tr>
<tr>
<td>Coke Replacement Ratio(^*)</td>
<td>0.92</td>
<td>0.93</td>
</tr>
</tbody>
</table>

Note: \(^1\) Results based on laboratory scale washing and testing of exploration samples. \(^2\) Results based on full washing plant under operating conditions.

#### Gordon Creek Coking Coal VS. Canadian Export Coking Coals

<table>
<thead>
<tr>
<th></th>
<th>Gordon Creek Coking Coal(^1)</th>
<th>Canadian NEBC HCC(^2)</th>
<th>Canadian SEBC HCC(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Min</td>
<td>Max</td>
<td>Min</td>
</tr>
<tr>
<td>Total Moisture (% as received)</td>
<td>8</td>
<td>9</td>
<td>8 - 9</td>
</tr>
<tr>
<td>Volatile Matter (% air dry)</td>
<td>20.7</td>
<td>25.2</td>
<td>23.0 - 24.5</td>
</tr>
<tr>
<td>Ash Content (% air dry)</td>
<td>8.00</td>
<td>8.90</td>
<td>8.25 - 8.60</td>
</tr>
<tr>
<td>Sulphur Content (% air dry)</td>
<td>0.44</td>
<td>0.90</td>
<td>0.45 - 0.55</td>
</tr>
<tr>
<td>Free Swelling Index (FSI)</td>
<td>6</td>
<td>8</td>
<td>7 - 8</td>
</tr>
<tr>
<td>Mean Max Reflectance of Vitrinite (%)</td>
<td>1.18</td>
<td>1.39</td>
<td>1.15 - 1.25</td>
</tr>
<tr>
<td>Maximum Fluidity (ddpm)</td>
<td>12</td>
<td>1135</td>
<td>150 - 300</td>
</tr>
<tr>
<td>Phosphorus in Coal (% dry)</td>
<td>0.049</td>
<td>0.089</td>
<td>0.008 - 0.040</td>
</tr>
<tr>
<td>Base/Acid Ratio of Ash</td>
<td>0.08</td>
<td>0.22</td>
<td>0.12 - 0.18</td>
</tr>
<tr>
<td>Coke Strength after Reaction (CSR)</td>
<td>51(^*)</td>
<td>70(^*)</td>
<td>58 - 60</td>
</tr>
</tbody>
</table>

Note: \(^*\) = Calculated; NEBC = Northeast British Columbia; SEBC = Southeast British Columbia

1 Results based on laboratory scale washing and testing of exploration samples.
2 Results based on full washing plant under operating conditions.

Data Source: Kobie Koornhof Associates Inc.
• Production from Huguenot and Flatbed would be shipped by rail to one of the three export terminals on the west coast of British Columbia

• Access to deep water export terminals, including the Neptune and Westshore terminals in Vancouver and the Ridley Terminal in Prince Rupert, B.C.

• Rail lines out of the Peace River Coalfield are operated by a Class I Canadian carrier (CN Rail, largest railway company in Canada) and have available capacity to support future production from Huguenot and Flatbed

• Electric power accessed through the B.C. Hydro grid near the existing high-voltage Quintette substation