ASX Announcement
9 July 2020

CROWN MOUNTAIN BANKABLE FEASIBILITY STUDY

- **The Crown Mountain Bankable Feasibility Study ('BFS') has delivered robust economic outcomes including a pre-tax NPV(10) of US$376m and IRR of 36.4% , assuming purchase of the mobile equipment, workshops and ancillary infrastructure**
- **The BFS reaffirms that Crown Mountain represents a compelling high quality coking coal opportunity for development with a competitive operating and capital cost structure and access to existing common user rail and port infrastructure**
- **The mine would produce high quality low volatile ('LV') metallurgical coal, with the Life of Mine ('LOM') product mix being 86% Hard Coking Coal ('HCC') and 14% Pulverised Coal Injection ('PCI') coal**
- **The mine plan is based on an average LOM production rate of 1.7 Mtpa of saleable coal, 57.5 Mt Total Run of Mine ('ROM') from the North, East and South pits over 15 years**
- **The Bankable Feasibility Study has also identified a number of areas of potential optimisation that the Company intends to assess in order to maximise the economic outcomes whilst finalising the Environmental Assessment ('EA') approval that is on track with the EA application to be submitted in March Quarter 2021**
- **The BFS reflects a 15 year LOM with future potential to increase reserves through the conversion of the existing inferred resource[1], excluded from the BFS, with additional exploration and quality test work in the Southern extension**
- **The confirmed coal quality outlined in the BFS also provides a basis for discussions with potential end user customers for the sale of coal produced by the Crown Mountain Hard Coking Coal Project.**

Jameson Resources Limited ('Jameson' or the 'Company') is pleased to advise of the Bankable Feasibility Study[2] results for the Crown Mountain Hard Coking Coal Project in South East British Columbia, Canada. The Crown Mountain Project is owned by Jameson's Canadian Subsidiary NWP Coal Canada Ltd that is 78% owned by Jameson and 22% by Bathurst Resources Limited (ASX:BRL).

The BFS demonstrates robust economics of the Crown Mountain Hard Coking Coal Project with a low strip ratio, 1.7Mtpa clean coal product operation at competitive operating costs to global seaborne markets through one of the three deep water ports on the west coast of British Columbia.

The BFS has demonstrated a technically and economically robust project that will produce an average of 86% LV HCC and 14% PCI coal over the 15-year mine life (see ***Table 1***). The study was led by Stantec Consulting's ('Stantec') Vancouver office with other consultants engaged including Sedgman Canada Limited ('Sedgman') (a member of CIMIC Group), and SRK Consulting ('SRK').

[1] *The Company cautions that there can be no certainty that further exploration and coal quality test work will result in any inferred mineral resources being upgraded to indicated or measured mineral resources or that an extension to the ROM tonnes itself will be realised*

[2] *Whist the BFS has been completed to an accuracy level of +/-15% , upon successful receipt of the Environmental Assessment Certificate and Mining Permit, conditions of these permits will be incorporated into the mining plan that may result in associated economic impacts as a result.*

Table 1

BFS Outcome*	Unit	
Total ROM Coal Mined	Mt ROM	57.5
Mine Life	Years	15
Average ROM Strip Ratio	Bcm:ROM t	4.7
LOM Processing Yield	%	48.7
LOM Average Annual Clean Coal Production	Mtpa	1.7
Total Clean Coal Production	Mt	26.3
Clean Coal Strip Ratio	Bcm:t clean coal	10.3
Pre-production Capital Expenditure**	US$m	309
Cash Cost (FOB Vancouver)	US/t	93.17
Low Vol, Premium Hard Coking Coal Benchmark	US/t	164
NPV(10) (Pre-tax)	US$m	376
NPV(10) (Post-tax)	US$m	217
IRR (Pre-tax)	%	36.4
IRR (Post-tax)	%	27.2
Crown Mountain Net Cashflow (Pre-tax)	US$m	1,029
Crown Mountain Net Cashflow (Post-tax)	US$m	652

**Operating costs and capital expenditure have been converted from CAD to USD at 0.75*

***Excludes Contingency, Owners Costs, Reclamation Security*

LOCATION

Crown Mountain is located in the Elk Valley coalfields of the East Kootenays in the South East of British Columbia, where there are currently four operating metallurgical coal mines that are operated by Teck Resources Limited. Crown Mountain is situated between Teck's Line Creek and Elkview operations, and displays similar geology and coal quality. Given the Project's proximity to existing operations that produce approximately 26Mt of coal annually, there are a number of infrastructure benefits that makes development enticing that include:

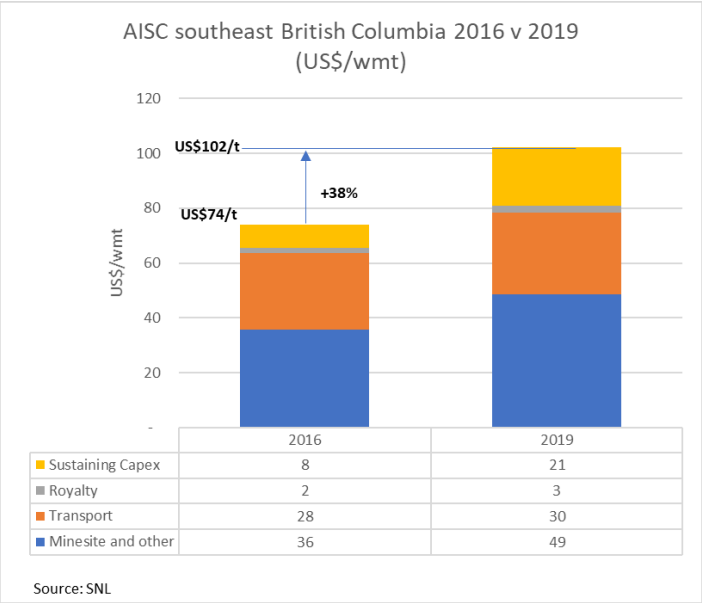
- Close proximity to Canadian Pacific's common user rail that links the coalfields of the Elk Valley to the deep-water ports of Western British Columbia
- Three potential deep-water ports that allow access to the seaborne metallurgical coal market – Westshore, Neptune and Ridley Terminals. Westshore is the preferred port, and while the Company does not currently have a take or pay agreement in place, publicly available information indicates Teck Resources will be shifting the majority of its production from Westshore to Neptune Terminal once that expansion is complete and Teck's take or pay contract expires with Westshore in 2021
- Availability of a skilled labour force without the requirements of having to build camp infrastructure, with the towns of Sparwood, Elkford, Cranbrook and Fernie all having skilled labour pools with mining experience to potentially source future workers
- Excellent OEM vendor support, in the Elk Valley, with a number of major equipment suppliers having local warehouses, maintenance facilities, and personnel to provide operational maintenance support.

Jameson originally completed a Pre Feasibility Study ('PFS') in 2014 and subsequently updated the PFS in 2017 when market conditions had changed. In 2017 the Premium LV HCC Benchmark had spent the 18 months prior at an average of ~US$120/t, and had been as low as US$73.40/t. Since that time, the Premium LV HCC Benchmark has averaged ~US$184/t, and has been as high as US$314/t.

ECONOMICS

The BFS was undertaken in the 2018-2020 period where benchmark prices were high resulting in upward cost base pressures and the incentive to bring on additional marginal tonnes of HCC to market. In the period between 2016 and 2019 the average all-in sustaining cost ('AISC') of a tonne of metallurgical coal produced in South East British Columbia and sold on the seaborne market increased by more than 30% (see ***Graph 1)***.

Graph 1



All coal extraction is undertaken via open pit mining of the North, East and South pits. The BFS assumes a ROM coal production of 57.5Mt at an average LOM ROM strip ratio of 4.7:1 BCM:ROM tonnes. The first four years of mining occurs in the North and East pits which is lower ROM strip ratio of 4.1 BCM:ROM tonnes and higher yield (61.2%), producing up to 2.3 Mtpa. The mine then progresses to the South Pit which is mined from the South to the North.

Table 2

FOB Operating Cost	Unit	Years 1-4	LOM
ROM Strip Ratio	BCM:ROM tonne	4.1:1	4.7:1
Clean Coal Strip Ratio	BCM:t clean coal	7.4:1	10.3:1
Operating Costs – clean coal			
Waste	US/t	22.12	31.94
ROM Coal Production	US/t	4.76	6.77
Preparation Plant	US/t	8.06	10.02
Clean Coal Handling	US/t	2.16	2.34
Reclamation & Minor Equipment opex	US/t	0.88	1.14
Free on Rail (FOR)	**US/t**	**37.98**	**52.22**
Marketing and Corporate	US/t	1.01	1.01
Administration	US/t	4.65	5.90
Rail and Port Charges	US/t	29.25	29.25
Royalty	US$/t	4.18	4.79
Free on Board ('FOB') Cost	**US$/t**	**77.07**	**93.17**

**Operating costs and capital expenditure have been converted from CAD to USD at 0.75*

Coal processing occurs through a Coal Handling and Process Plant ('CHPP') that is located near the North Pit. Coal will be trucked to the CHPP where it will be processed. The average LOM processing yield is 48.7%, delivering a clean coal, or saleable coal resource of 26.3Mt at an average clean coal strip ratio of 10.3:1 BCM:t clean coal. The processed coal will then be conveyed ~3km down to a Truck Loadout Bin where the coal is then trucked 15 kms to a clean coal stockpile and reclaimed into the Train Loadout Facility. Coal is then loaded onto Canadian Pacific rail cars at the proposed figure eight Rail Load Out. Coal will then be railed approximately 1,200 km to the preferred Westshore Terminal for global export.

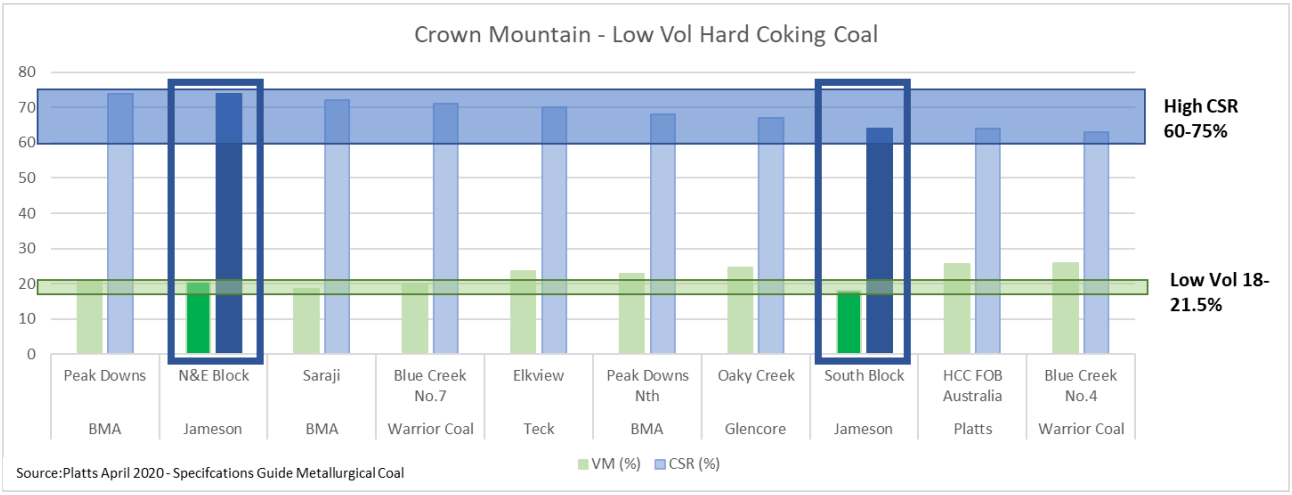
The key mining assumptions are summarised in ***Table 3*** below.

Table 3

Key Mining Parameters	Unit	
Nameplate mining & processing capacity	Mtpa ROM	3.7
BFS mine life	Years	15
Total ROM coal mined	Mt	57.5
Total waste mined	Mbcm	270
Strip ratio (ROM)	BCM:ROM tonnes	4.7:1
Strip ratio (clean coal)	BCM:t clean coal	10.3:1
Average processing yield	%	48.7
Average HCC and PCI production	Mtpa clean coal	1.7

The average LOM long term benchmark Premium LV HCC was assessed to be US$164/tonne which is the five-year historic average. It is expected that the North and East pits achieve the benchmark price, while the South Pit HCC receives a 10% discount to the benchmark price. The CSR and Volatile Matter of the HCC from the North (and East) and South Pits is included in ***Graph 2*** below. The CAD:USD exchange rate is assumed to be 0.75 over the LOM.

Graph 2



The Crown Mountain PCI (average 14% of saleable coal over the Project) is a Low to Mid Volatile PCI coal that compares favourably with the Australian Low to Mid Volatile PCI coals on the basis of ash, sulphur, carbon content and calorific value which are the key determinants in coke replacement ratio. The Crown Mountain PCI coal's coke replacement ratio is similar to that achieved by the LV PCI coals produced in

Australia. North and East pits PCI coal is assumed to achieve US$115/tonne, while the South Pit PCI coal achieves a price of US$112/tonne.

The key economic outcomes are as follows, and summarised in ***Table 4*** below:

- Attractive cost structure with an FOB cost (including royalty) in years 1 through 4 of US$77/t (CA$103/t) and LOM of US$93/t (CA$124/t) which places Crown Mountain on a competitive basis with other HCC mines in both Canada and Australia
- Pre-production capital (excluding contingency, owners costs and reclamation security) of US$309m (CA$412m)
- Pre-tax NPV(10) of US$376m (after tax US$217m) and an IRR of 36.4% (after tax 27.7%).

Table 4

Financial Outcome*	Unit	LOM
Exchange Rate	CAD:USD	0.75
HCC Low Vol, Premium Benchmark (FOB Vancouver)	US$/t	164
Key Financial Metrics		
NPV(10) (pre-tax)	US$m	376
NPV(10) (post-tax)	US$m	217
IRR (pre-tax)	%	36.4
IRR (post-tax)	%	27.2
Payback period (pre-tax)	Years	2.0
Payback period (post-tax)	Years	2.4
Pre-production capital expenditure**	US$m	309
Life-of-Mine sustaining capital expenditure	US$/t	7.48
Crown Mountain net cashflow (pre-tax)	US$m	1,029
Crown Mountain net cashflow (post-tax)	US$m	652
Operating Costs – clean coal		
Waste	US$/t	31.94
ROM Coal Production	US$/t	6.77
Preparation Plant	US$/t	10.02
Clean Coal Handling	US$/t	2.34
Reclamation	US$/t	0.14
Minor Equipment Operating Costs	US$/t	1.00
Free on Rail (FOR)	**US$/t**	**52.22**
Marketing and Corporate	US$/t	1.01
Administration	US$/t	5.90
Rail and Port Charges	US$/t	29.25
Royalty	US$/t	4.79
Free on Board ('FOB') Cost	**US$/t**	**93.17**

**Operating costs and capital expenditure have been converted from CAD to USD at 0.75*

***Excludes Contingency, Owners Costs, Reclamation Security*

The BFS assessed the Project's viability on an owner operator basis that analysed both purchasing mobile equipment and ancillary infrastructure, reflected in ***Table 5,*** with an accuracy of capital and operating estimates is +/-15%.

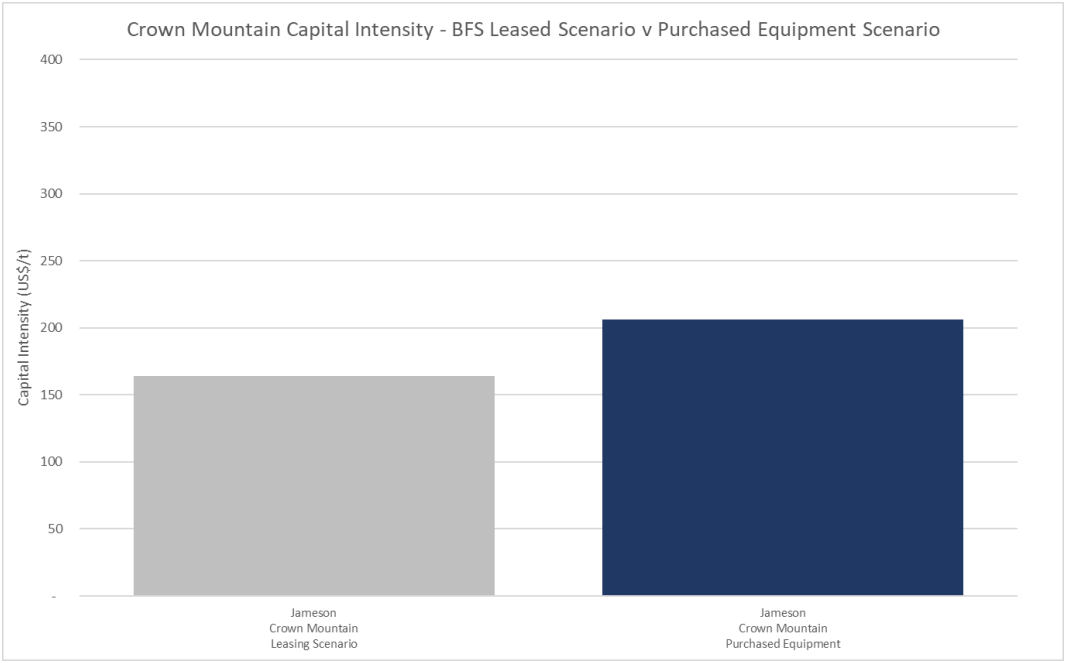
Table 5

Pre-production Capital Expenditure*	US$m*
Mine Infrastructure	75
Plant and Coal Handling Facilities	102
Mobile Mining Equipment	92
Pre-Strip and Indirect	40
Total	**309**
Owners Costs	9
Reclamation Security	2
Contingency	31
Total Pre-production Capital inc. Contingency	**351**

**Capital Expenditure has been converted from CAD to USD at 0.75*

Total Capital expenditure of US$351m (CA$468m) for owner operator option is approx. US$206/t annual production, as depicted in ***Graph 3*** below. A leasing scenario was assessed as part of the BFS to reduce the pre-production capital expenditure, by leasing major and minor mobile mining equipment, to approximately US$279m (CA$372m) or US$164/t annual production, however increases operating costs. The reduced pre-production capital scenario has been included in ***Graph 3*** to compare with the purchased equipment scenario assumed as the BFS base case. Further analysis of the leasing scenario is included in ***Tables 17-19***, however leasing will be further assessed as a part of the BFS optimisation, together with contractor operated scenarios when closer to an investment decision.

Graph 3



REGULATORY AND SOCIAL LICENSE TO OPERATE

Jameson, and Jameson's subsidiary NWP Coal Canada Ltd ('NWP') has been actively engaged in the regulatory process since 2014 and during this time has engaged with both Provincial and Federal regulators, First Nations and other stakeholders.

NWP has completed baseline studies and modelling that has enabled pre-submittal meetings with Regulators to discuss the approach to the EA Application in order to address the requirements outlined in the Application Information Requirements ('AIR') and prepare effects assessments that form a critical part of the EA Application. NWP expects to submit the EA Application in the March Quarter 2021.

NWP is an active participant in the Elk Valley Cumulative Effects Assessment Framework (EV CEMF). EV CMEF is a joint initiative between the Province of British Columbia and Ktunaxa Nation Council to provide a framework to assess the cumulative environmental effects of industry in the Elk Valley. This group consists of government regulators, NGOs, other coal developers and other industries. The intent of the framework is to provide a level playing field to assess the Crown Mountain Project's potential impacts, with consideration to other projects impacts, and will assist in developing offsets as part of the permitting process.

OPTIMISATION OPPORTUNITIES

The finalisation of the BFS has identified areas of potential optimisation that will be assessed in order to improve the overall execution and economics of the Crown Mountain Hard Coking Coal Project. The potential optimisation activities include:

- Increased utilisation of CHPP hours (BFS assumed parameters of 6,400 annual production run hours whilst plant availability, after planned outages is 8,060 hours). Industry experience indicates that this can be enhanced through improved scheduling of maintenance and downtime, should the mine plan enable additional ROM tonnes to be made available.
- Improved yield with production of higher ash product (10% or 10.5%) in line with other Canadian and Australian HCC producers, thereby reducing washing sensitivities in the CHPP with expected corresponding ash penalty of c.1.5% price discount for every 1% ash above 9.5% Ash benchmark, which may enhance overall economics. Additional work is required to understand any potential implications on coal quality measures as a result of a higher ash product.
- Reduce CHPP capital costs by assessing either lower cost Chinese steel sourcing for the current design, or alternately a modular pre-assembled plant design also incorporating lower cost steel supply but reducing the potential impact on capital costs of anti-dumping tariff's.
- Contract mining or leasing mobile equipment, workshop, wash bays and associated facilities to reduce upfront capital and mitigate the execution risk associated with bringing a new project into production, which would likely result in increased operating costs due to the lease financing cost or contractor margins but with the potential for initial productivity savings.
- Build Own Operate Transfer for the CHPP and associated infrastructure, similar to the contract miner scenario, whereby capital would be reduced at the expense of operating costs however allows for a more appropriate transfer of risk to expert plant operators whilst in the commissioning and ramp up to commercial production phase.

- Crown Mountain also has the potential to add further Measured and Indicated resource tonnes if the Southern Extension, that currently includes 24mt of Inferred Resource, was able to be successfully converted to a Measured and Indicated resource.

RESOURCES AND RESERVES

COMPLIANCE STATEMENT

The results and underlying assumptions for the 2017 Updated PFS were reported to ASX on 26 April 2017 in an ASX announcement entitled "PFS Update Yields Lower CAPEX and OPEX and Outstanding Financials, Demonstrating the Significant Potential of Crown Mountain" and was further detailed in the 2017, 2018 and 2019 Annual Reports to Shareholders.

The 2017 Updated PFS was preceded by a 2014 PFS reported to ASX on 11 August 2014 in an ASX announcement entitled "Prefeasibility study confirms Crown Mountain Hard Coking Coal Project will enjoy outstanding economics" Preliminary Economic Assessment reported to ASX on 17 April 2013 in an ASX announcement entitled "PEA Confirms Potential Robust Economics on Crown Mountain Coal Project" and further detailed in the 2013 Jameson Annual Report. Updated coal quality results were reported to ASX on 14 March 2014 in an announcement entitled "Positive Property-Wide Coal Quality, Crown Mountain Coking Coal Project". Subsequent to this, coal quality results from the 2018 exploration program were reported in a number of releases to ASX on 16 January 2019 entitled "Initial Coal Quality Testing Results", 4 April 2019 entitled "Testing Confirms North Pit to be Hard Coking Coal", 23 April 2019 entitled "Additional Testing Confirms Hard Coking Coal", 26 July 2019 entitled "Coke Testing Program Complete – Hard Coking Coal Confirmed" and finally on 2 August 2019 an update to the announcement on 26 July 2019, entitled "Coke Testing Program Complete – Announcement Updated".

RESOURCES

The basis for the determination of the Resources is set out below. During the 2018 drilling program, NWP's exploration focus was on collecting coal quality and geotechnical information, and undertaking pilot scale coke testing. In total, 33 holes were drilled on the Property with a cumulative total drilled meterage of 4,711 m. To collect core samples for coal quality testing, NWP drilled 26 holes with total drilled meterage of 3,610 m. Ten of these holes were drilled by reverse circulation as pilot holes, however one of the pilot holes was abandoned due to poor drilling conditions. Sixteen drill holes were drilled with 150 mm (6-inch) coring bits at nine different locations. Note, multiple drill holes were drilled on the same drilling pad in order to collect bulk samples large enough for coal analysis. Only coal-bearing zones were cored.

The geophysical logs for the 33 new exploration drill holes were thoroughly reviewed and the provided interpretation of the seam and rock band thicknesses and depths were verified. The geological sample intervals and the analytical coal quality data for the 2018 drill holes were provided in the form of summarized datasheets as well as original laboratory reports. The information in the datasheets was cross-referenced with the original laboratory report results for more than 10% of the data.

To facilitate the estimation of resources and reserves in the Crown Mountain Property, Stantec developed a geological model for the area using MineSight® software. Key horizons or "surfaces" were modelled to provide the required inputs for volumetric estimation. Volumes were converted to tonnage by the application of density values representative of each coal seam of interest for mining.

A three-dimensional (3D) computer model was developed and used for resource estimation purposes. The model, which includes data from all the 2018 and historic drilling and other forms of exploration conducted, includes three-dimensional model blocks and "solids" ("wireframe"), representing the available information for all coal seams and splits. The results of the model construction show that the interpretation of the geology and structure for the North and South blocks is the same as past interpretations, other than local and more detailed changes that are apparent as a result of new site-specific data. Specifically, total resources have reduced by approximately 8Mt due to a change in structural interpretation in the South Block. The fault that runs along the western edge of South Block was reinterpreted to extend to the east, which resulted in the reduction of resource estimate.

The following outlines the criteria and results obtained for coal resource estimation for the Crown Mountain Coal Property in the Elk Valley Coalfield of SE British Columbia. The estimates have been prepared in accordance with the requirements of the Canadian National Instrument (NI) 43-101 and the CIM Definition Standards. The Geological Survey of Canada (GSC) Paper 88-21 A Standardized Coal Resource/Reserve Reporting System for Canada was referenced during the classification, estimation and Reporting of coal Resources.

GSC Paper 88-21 was written in 1988 and is now obsolete with respect to certain numerical parameters. As a result, Stantec used this paper only as a guideline during resource estimation.

NI 43-101 is the Canadian equivalent of the 2012 Joint Ore Reserves Committee (JORC) Standard. A Qualified Person (Competent Person), who is an employee of Stantec, validated the available geological data, constructed the computer based geological model and undertook resource estimation.

The categories of resources, identified as Measured, Indicated and Inferred, are the same in both the NI 43-101 and the JORC standards of disclosure documents. Thus, for resource category definition as used in the present report, NI 43-101 and JORC are compatible with each other. The reporting requirements of JORC are satisfied in this report.

Stantec used the following approach to estimate the resources:

- Update the previously created computer based geological model to reflect the additional drill hole information gathered during the 2018 drilling campaign, as well as all additional analytical data collected to assess the coal quality on the Property
- Incorporate the Property boundaries which were obtained from published digital maps
- Establish the level of geological complexity through the review of the geological maps, drill hole data and the structural interpretation in the geological computer model
- Assess the geological assurance and classify the resources through analyzing the spatial distribution of the drill hole data, including the analytical coal quality information, the complexity of the geology and the spatial resource distribution
- Establish the stripping ratio appropriate for resource estimation and generate pit shells using reasonable mining criteria.

For surface mining, in determining a mineral material that qualifies as a resource, the key considerations were:

- That the available technical data on the deposit be sufficient to reasonably conclude that the seams do indeed have reasonable prospects for eventual economic extraction
- That the seams satisfy minimum constraints for practical mining based on the specifications of the mining equipment to be used
- That a geological ratio limit, not exceeding 20:1 m^3/tonne, be used to identify areas that may be examined to assess their surface mining potential. This value is consistent with that recommended for this purpose in GSC 88-21. It should be noted that this is not a surface mining strip ratio limit but is simply intended to identify a resource limit within which a surface mine plan may be developed.

The following assumptions and criteria have been used in the resource estimate:

- The resource estimate was made using a minimum seam thickness of 0.5 m
- The depth limit for the potential surface mineable resource was based on a pit shell developed with a cut-off ratio limit of 20:1 m^3/tonne and 45-degree pit walls
- Density values were used for the conversion of volumes of in-place coal to tonnes.

The coal resource classification is based on the following considerations:

- Geology type
- Structural complexity of seam geometry
- Coal quality variability.

The South Block is classified as "Moderate" Geological Type and the North Block is classified as "Complex" Geological Type.

The coal resources reported are evaluated taking into account the structural complexity of seam geometry as well as the coal quality variability of the coal. The coal resources are classified using the lower confidence level of the two, structural and coal quality classes. In order for the coal to be classified as Measured, both the structural and the coal quality classes should be Class 1. The coal is classified as Indicated if either the structural class or the coal quality class is Class 2.

Due to the deficiency in the coal quality information for Seam 8 A and 8 Middle in the North Block, and Seam 8 Rider2 in the South Block, no Measured Resources are associated with these seams. All the resources from these two seams are classified as Indicated.

The 2017 Resources are restated in ***Table 6*** below for completeness, while the updated 2020 Resources are provided in ***Table 7***. All stated resources are inclusive or the reserves.

Table 6 – Resource summary (Mtonnes)(as at April 1, 2017)

Resource Area	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
North Pit	8.0	6.0	14.0	-	14.0
South Pit	60.9	-	60.9	-	60.9
South Extension	-	-	-	23.7	23.7
Total	**68.9**	**6.0**	**74.9**	**23.7**	**98.6**

Table 7 – Resource summary (Mtonnes)(as at July 8, 2020)

Resource Area	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
North Pit	10.1	3.0	13.1	-	13.1
South Pit	41.0	12.4	53.4	-	53.4
South Extension[3]	-	-	-	23.7	23.7
Total	**51.1**	**15.4**	**66.5**	**23.7**	**90.2**

RESERVES

The JORC Code requires that at a minimum, a preliminary feasibility study or feasibility study be completed as the basis for the definition of reserve quantities. A feasibility study has been undertaken for the Crown Mountain Property.

Part of the initial screening work on the BFS was to develop break even strip ratio (BESR) mining pits. Stantec accomplished that objective by using costs from the Updated 2017 PFS and revised coal sales price forecasts of US$164 per tonne for hard coking coal (up from the US$155 per tonne sales price assumed in the Updated 2017 PFS) and US$115 per tonne for PCI coal (versus US$110 per tonne in the Updated 2017 PFS). This work, and the mine design and economic evaluation process that followed, resulted in the identification of project reserves, as are presented in this announcement.

Stantec has designed pits using the following minimum mining criteria in the BFS for definition of the reserve tonnage:

- Minimum coal seam thickness = 0.5 m
- Maximum thickness included diluting material (rock parting in coal) = 0.5 m
- Coal loss thickness, variable but averages 0.31 m (seam roof + floor contacts)
- Dilution thickness, variable but averages 0.22 m (seam roof + floor contacts)
- Bulk density as determined by seam ash % relationship.

In addition to the application of mining criteria, coal seam recovery and plant yield factors were used to estimate the Marketable Coal Reserves on a seam-by-seam basis.

BFS PCI coal reserves have been classified based on the drill holes and insitu coal quality information used to define the oxidized coal zones. Considerable effort was made to delineate an oxidation boundary, which is the depth where the coal seams turn from an oxidized PCI product to a non-oxidized metallurgical product. Data such as raw coal light transmittance, free-swelling index and the ability of the coal to float during froth flotation were used to characterize oxidized and non-oxidized zones. Oxidized depths were incorporated in the geology model. The result was an oxidized boundary that varies across the property. Cross sections across both the North and South blocks were generated and the oxidation boundary depths were reviewed paired with the structural and geological information.

[3] Southern Extension resource estimate is from the March 11, 2014 PFS report. No additional work has completed on this portion of the Crown Mountain deposit since 2014.

The 2014 PFS and Updated 2017 PFS identified 55.8 million run-of-mine ("ROM", "raw") tonnes as a coal reserve (***Table 8***), of which 49.7 million tonnes are classified as Proven and 6.1 million tonnes as Probable. These reserves were underpinned by the resources contained in the referenced PEA. The BFS run-of-mine (***Table 9***) identified 57.5 million as a coal reserve, of which 43.6 million tonnes are in the Proven category and 13.9 million tonnes in the Probable category.

Table 8 – Run of mine surface mineable reserve summary (ktonnes)(as at April 1, 2017)

Area	ASTM Group	Run of Mine Coal Reserves (Ktonnes)			
		Proven		Probable	
		COKING	PCI	COKING	PCI
North Pit	Bituminous	7,252	756	4,907	1,192
East Pit		3,563	461	0	0
South Pit		31,784	5,913	0	0
Sub-Total		**42,599**	**7,131**	**4,907**	**1,192**
Total Proven & Probable		**49,730**		**6,099**	
Total		**55,829**			

Table 9 – Run of mine surface mineable reserve summary (ktonnes)(as at July 8, 2020)

Area	ASTM Group	Run of Mine Coal Reserves (Ktonnes)			
		Proven		Probable	
		COKING	PCI	COKING	PCI
North Pit	Bituminous	9,603	429	3,924	1,068
East Pit		2,271	135	532	46
South Pit		27,975	3,218	4,828	3,514
Sub-Total		**39,848**	**3,781**	**9,284**	**4,627**
Total Proven & Probable		**43,629**		**13,911**	
Total		**57,540**			

Notes:

These are ROM (run-of-mine) tonnages prior to processing with as-received moisture content approx. 4%. Reference point is before the rotary breaker.

Reserves within economic pit based on coking coal price range of CAD$187-$207/product tonne and PCI coal price of CAD$136/product tonne.

Rounding as required by reporting guidelines may result in apparent summation differences.

BFS BASIC ASSUMPTIONS AND DESIGN PARAMETERS

Several key elements of the Updated 2017 PFS have been held as constant for the Bankable Feasibility Study. These include:

- Mining method: open pit
- Annual production rate: identical to the original PFS and updated PFS at a peak annual rate of 3.7 million run-of-mine tonnes
- Infrastructure location: mine and processing facility locations were not altered, however the proposed Rail Load Out location has been altered
- CAD:USD Exchange Rate.

For full disclosure purposes, these items are restated below in the text and/or the JORC table that follows.

Jameson provided guidance to Stantec regarding the desired annual output of the operation. The guidance provided by Jameson is summarised in ***Table 10*** below.

Table 10 - Bankable Feasibility Study Parameters

Bankable Feasibility Study – Parameters	
Resource Base	Measured and Indicated only: exclude all Inferred
Mine Life	Through to exhaustion of economic reserves
Clean Coal Production Rate	1.5 to 2.0 million tons per annum (Mtpa)
Time To First Production	Base schedule on fast-tracking project

Included below is a discussion of BFS assumptions and design parameters that relate to Mining, Processing, Infrastructure, Transport, General, Coal Quality and Product Mix, Environmental Issues, First Nations, Governmental and Third-Party Issues.

MINING

The mining method selected for Crown Mountain in the BFS is open pit. Mining equipment includes excavators, front end loaders, and haul trucks, supported by dozers, backhoes, and blasthole drills. This type of equipment is typical for Elk Valley mining operations, and includes equipment specific to selective mining in certain thinner seams present on the property. The majority (90%) of overburden removal is projected to require blasting.

Part of the initial screening work on the BFS was to develop break even strip ratio (BESR) mining pits. Stantec accomplished that objective by using costs from the Updated 2017 PFS and revised coal sales

price forecasts of US$164 per tonne for hard coking coal (up from the US$155/t sales price assumed in the Updated 2017 PFS) and US$115 for PCI coal (versus US$110 in the Updated 2017 PFS). This work, and the mine design and economic evaluation process that followed, resulted in the identification of

project reserves, as are presented in this announcement. The mine plan has been sequenced to extract the low strip ratio North block first, followed by the smaller East block (a subset of the South block, but a distinctly higher quality and discrete mine pit) and ultimately the large South block, from South to North. After pre-stripping, North block coal is mined.

Following geotechnical evaluation of the core recovered during the 2013 and the subsequent 2018 exploration and geotechnical program, and considering available regional data, the following design parameters were used in the pit design:

Table 11 – Crown Mountain Pit Footwall Guidelines

Bedding Dip (°)	Bench Face Angle (°)	Maximum Unbenched Height (m)	Minimum Bench Width (m)
<25	Follows bedding dip slope	-	-
25-30		120	8
30-40		60	12
40-50		30	10
50-60			10
60-70			8

Table 12 – Crown Mountain Pit Highwall Guidelines

Bench Face Angle (°)	Maximum Unbenched Height (m)	Minimum Bench Width (m)
65	30	10
Buttressing Requirements		
Northing (from: to)	**Buttress Crest Width**	**Buttress Crest Location is 5 m above:**
5,521,800 : 5,521,200	50	Seam 9 and/or fault
5,521,200 : 5,519,980	80	Seam 9 and/or fault

It has been assumed that coal loss and out-of-seam dilution ("OSD") occurs at every rock/coal interface except where partings are mined as part of the ROM product. Evaluation of site-specific conditions, and review of both local and other comparable operations, have resulted in the assumption of coal loss (pit loss) of 0.31m per seam, and concurrent OSD of 0.20m. Best practice selective mining will be employed over much of the Crown Mountain project area. ROM cutoffs for estimated plant yield result in any coking coal seams under 15 percent yield and PCI under 25 percent yield being treated as waste.

Mined ROM coal is hauled from the pit to a rotary breaker where some of the larger size OSD is removed.

Stantec incorporated the findings from the previous studies and the current standard of practise to develop the mine plan.

Major mining equipment includes:

- A 28m3 bucket excavators
- A 20m3 bucket front end loader
- A 15m3 bucket front end loader
- A 135 tonne water truck
- 75,000lbs pull down force blast hole driller
- A 850hp dozer
- A 600hp dozer
- A 450hp rubber tyre dozer
- Caterpillar model 24M grader
- Caterpillar model 16M grader
- A 227 tonne electric drive dump trucks
- 36 tonne articulated dump truck
- Western Star model 6900XD+95t trailer (for clean coal haul)
- A 5m3 Backhoe.

PROCESSING

As with the majority of Canadian metallurgical coals, a wash plant is required. The BFS, as in the PFS located the plant proximate to the mine pits. This accomplishes multiple goals, such as:

a) it reduces trucking costs for the ROM material
b) it allows plant reject disposal to occur at or near the mine site
c) plant reject (high in shales and clays) will be used to act as oxygen depletion zones in the spoil piles, by reducing permeability. The test work shows that limiting oxygen reduces the metal effluent concentrations (metal leaching, particularly but not limited to selenium and nitrates, is an issue in the Elk Valley).

Plant yield peaks in the early years when North Pit seams make the major ROM contribution ,with the average plant yield being 61.5 percent. The East Pit plant yield is 49.9 percent, followed by a 43.8 percent plant yield in the South Pit. The average LOM plant yield is 48.7 percent post rotary breaker. The primary processing method is heavy media cyclone and reflux classifier, supplemented by column cell flotation for fines recovery. A hyperbaric filter is included in the plant design to reduce the product moisture of the fine coal.

The Updated 2017 PFS developed a traditional three-circuit coarse/small/fine with a middlings liberation circuit. With the availability of the 2018 large diameter core bulk samples and extensive middlings liberation testing, the middlings circuitry was reviewed and ultimately eliminated from the design. However, the basic CPP process design remains similar to the updated PFS, except with significant refinements to the small and fine coal circuits.

Material changes in plant design in the BFS versus the Updated 2017 PFS are:

- Removal of the middlings circuit due to the marginal yield gains being achieved thereby rendering it uneconomic
- Inclusion of Plate and Frame Filters to dewater ultrafine tailings ensuring a lower moisture aligned with incorporation into the layer cake spoil management plan.

Washed coal will be conveyed down the mountain (3 km) and then trucked approximately 15 km to a stockpile/loadout area where the product will ultimately be loaded on train with a 152 railcars (16,000t capacity) on a new rail loop to be located adjacent to Canadian Pacific's ("CP") existing common-user railway. The loadout facility includes covered storage with a batch weigh bulk loading system for accurate load control and freight cost management.

INFRASTRUCTURE

The Project is located in an area with well supported infrastructure for coal mining. Teck operates a total of four coking coal mines in the Elk Valley and general vicinity of the Project: one of these operations is south of Crown Mountain and three are north. As a result, mainline rail, power, supporting communities and services are all nearby.

CP's rail is a combined 18 km from the wash plant: 3 km of overland conveyor and a 15 km truck haul.

Power lines will be extended 14 km from the main transmission line to the preparation plant. A natural gas line of similar length is planned to provide heat for the plant, shop, and support facilities.

Existing access roads to the Project will be upgraded: these roads have already been used for logging operations and product transportation by a local quarry.

Water supply will originate from two sources a sediment pond located in the Alexander Creek drainage and storage pond to be located adjacent to Grave Creek. Seasonal flow studies and estimated Project water requirements indicate this is a viable solution.

The towns of Sparwood, Elkford, Fernie, and Crowsnest Pass will be the source of the Crown Mountain workforce, and house numerous mining-related service industries.

TRANSPORT

Once loaded onto rail, carrier CP will transport the coal to either Westshore Terminals ('Westshore') near Vancouver, or to Ridley Terminals ('Ridley') near Prince Rupert, where it will be loaded into ships. Westshore, at a distance of approximately 1,200 km, is the terminal of choice for Crown Mountain coal, with an estimated transportation cost (combined rail and port) of US$29.25/tonne.

Capacity expansion continues at the Vancouver ports. Currently Teck is undertaking an expansion project at the Neptune Terminal where they have publicly stated they will be shipping coal from once it is complete and their Take or Pay contract with Westshore expires in 2021. As a result, it is believed Westshore will have available capacity when the first coal from Crown Mountain is ready for shipment.

All clean coal production from Crown Mountain is assumed to be exported. Coal is sold FOB vessel.

GENERAL

Stantec spent time collecting updated cost quotations for many items, including spare parts, fuel, labour, etc.

Material changes to the PFS assumptions in this category are:

- Labour rates have increased in the range of 5-7%. It is assumed Crown Mountain will pay prevailing local wages
- Fuel prices have increased by approximately 10% from the 2017 assumption in Canadian dollars.

COAL QUALITY AND PRODUCT MIX

Stantec determined from the pilot scale coke testing of North & South Block composite samples that the majority of Crown Mountain product will be hard coking coal. A lesser quantity of PCI coal will be produced, particularly during initial phases of South Pit mining. There will be no material amount of thermal coal produced at Crown Mountain.

Based on the revised interpretation of the oxidization boundary completed for the BFS, the clean coal product mix is estimated as 86% for Hard Coking coal and 14% for PCI coal.

With reference to ***Table 13***, Kobie Koornhof Associates ('Koornhof'), a well-respected coal market specialist, has indicated the North and East Block coals will command near benchmark pricing. The South Pit HCC product has been discounted to reflect certain parameters that are not as attractive as the North Pit counterpart, placing that product in a Tier 2 category.

Table 13 presents a summary of Crown Mountain coal quality compared to other western Canadian sources and has been updated for the 2018 exploration program and associated coal quality. Of particular note is the relatively high (and attractive) CSR (coke strength after reaction), a property of great importance to coal buyers.

Table 13 – **Quality Comparison of Crown Mountain Coal with Other Canadian Export Coking Coals**

	Crown Mountain Coking Coal[1]		Canadian NEBC[2] HCC[4]	Canadian SEBC[3] HCC[4]	Central Alberta[4]
	North and East Blocks	South Block			
Total Moisture (% as received)	8 - 9	8 – 9	8 - 9	8 - 9	9-9.5
Volatile Matter (% dry)	20-20.5	18-18.5	21 - 24	21 - 27	18 - 27
Ash Content (% dry)	9-9.5	9-9.5	8.5 – 9.0	8.5 - 9.5	9 – 9.5
Sulphur Content (% dry)	0.6	0.6	0.45 - 0.55	0.35 - 0.75	0.45 - 0.55
Free Swelling Index (FSI)	7 - 8	4 – 5	7 - 8	7 - 8	5 - 8
Vitrinite Reflectance R_oMax (%)	1.35	1.45	1.20 - 1.30	1.10 - 1.35	1.10 – 1.60
Total Reactives (%)	70	65	65 - 70	65 - 80	65-70
Maximum Fluidity (ddpm)	20	5	150 - 300	40 - 300	7 - 800
Phosphorus in Coal (% dry)	0.060	0.09	0.010 - 0.040	0.010 - 0.065	0.035 – 0.050
Base/Acid Ratio of Ash	0.07	0.05	0.12 - 0.18	0.07 - 0.10	0.10-0.15
CSR (Coke Strength after Reaction)	74	64	58 - 70	68 - 72	55 – 65

Notes:

1. Results are based on laboratory and pilot scale washing and testing of exploration samples from the 2013 and 2018 drilling programs.
2. Results are based on full washing plant under operating conditions.

Data source: Kobie Koornhof Associates

COAL PRICING

Koornhof has provided USD coal price forecasts over the LOM for Crown Mountain's two products (main product: HCC and secondary product: PCI coal), which are shown in the ***Table 14*** below:

Table 14 - Coal Pricing Assumptions (USD)

PERIOD	COAL TYPE	NORTH AND EAST USD/t	SOUTH USD/t
Life-of-mine	Hard Coking	$148 - $180	$129 - $166
	PCI	$102 - $132	$96 - $124

The BFS uses the average price forecast by Koornhof: US$164/t and US$148/t for North/East and South Pit HCC respectively, and US$115/t for the PCI product in the North and US$112/t for the PCI Product in the South. Stantec also evaluated sensitivity to changing coal prices, discussed later in this document.

ENVIRONMENTAL ISSUES

The BFS and ongoing EA Application effort have significantly added to the Company's understanding of environmental issues at Crown Mountain. Importantly, with the Project located in an area populated by operating coal mines, the environmental factors are relatively well defined.

One of the major environmental issues in the Elk Valley relates to metal leaching and its effect on water quality. In particular selenium, nitrates, and sulphates (and to a lesser degree cadmium, calcite, and other elements) have elevated levels in the Elk River watershed. As a result, the province formed a task force headed by Teck that developed the Elk Valley Water Quality Plan (draft report was submitted by Teck on 22 July 2014 and approved later that year by the province). As part of the BFS Enviromin was engaged to undertake a two-phase laboratory study to assess the impacts on potential selenium and nitrate mitigation in the proposed waste dumps. The laboratory studies were conducted in the flow through columns to assess the ability of these materials and their native biological component to reduce nitrate and selenium under controlled atmosphere conditions such as those expected in the spoil pile. The outcomes of these two phases were detailed to the ASX on 19 November 2018 entitled 'Significant Success Reported on Crown Mountain Phase 2 Spoil Pile Design and Selenium Mitigation Study'. Mitigation and control methodologies to address these issues have played a large role in the conceptual design of the Crown Mountain spoil piles. The Company is committed to utilizing environmental best practices across the entire operation, and will closely monitor actions by other local mines, and emerging technologies, during the course of mine design and construction.

Initial surface water quality modelling by SRK using inputs from the Enviromin studies for the EA demonstrates the potential for the layer cake selenium treatment method to produce water resus equivalent to an active water treatment facility. This is a novel approach to selenium treatment which is currently forming the basis for the Crown Mountain EA submission.

The mine plan developed for the BFS and the EA incorporates the layer cake process into the mine sequence and has been costed accordingly.

The Company installed multiple ground water monitoring stations in 2013 and 2018 continues to collect quarterly data. Stantec has evaluated that information and utilized the results to address issues such as pit dewatering. The BFS does not anticipate any material environmental challenges associated with groundwater.

Additional permits must be acquired by the Company before mine construction can commence.

As a precursor to permitting, Jameson entered the pre-application phase of the EA process in 2014 and has progressed through development and submittal of the Valued Components Document ("VCD"). In April 2018 Jameson received the Application Information Requirements ("AIR"). Upon receipt of the AIR Jameson began planning and preparation of the Application for an Environmental Assessment certificate. This AIR has a finite, three-year life under which the Environmental Assessment Application may be lodged which will conclude in April 2021. The Application for the Environmental Certificate is well advanced with baseline studies and modelling complete. Effects assessments have commenced being written up and the EA Application is on track for a March quarter 2021 submission. The Mine Permit itself, and other related permits, must also be prepared and submitted for approval.

FIRST NATIONS, GOVERNMENTAL AND THIRD-PARTY ISSUES

Crown Mountain is located in traditional First Nations territory. The Ktunaxa Nation Council ('KNC') are sole rights and title holders to the Crown Mountain project. Jameson meets regularly with the KNC and has established a policy of close cooperation and open communication as the project moves forward. There are a number of other First Nations that have rights and interests for the Project area. First Nations are intimately involved in the EA Application and mine permitting process through the referral and consultation routines established between First Nations, Federal and Provincial governments. It is incumbent on the Province, and in turn Jameson, to understand and address the issues brought forth by First Nations.

Jameson representatives have consulted frequently with First Nations since acquiring the original option on Crown Mountain, and will continue to do so during permitting, construction, and mine operation.
In addition to First Nations, there are governmental and private entities that have certain interests with respect to land use, and can be expected to participate in the permitting process through referral and comment. Such entities include, but are not limited to, local governing authorities and special use organizations such as recreational clubs, etc.

The Company has previously met with the local governments (councils, mayors) of all the nearby towns including Sparwood, Elkford, Fernie, and the District of Crowsnest Pass. Through events such as an Open House, and the VCD commenting process, Jameson has also had discussions with non-governmental organizations regarding their special issues and concerns.

All mining and coal processing activities, including refuse and spoil disposal, will occur on Crown land now controlled by Jameson via Coal Licenses. The water supply, access and haulage roads, and preferred rail

loop/loadout site are on property controlled by one or more third parties. It is assumed in the BFS that the necessary access and surface disturbance rights will be acquired without major issue. Certain preliminary documents such as road use agreements and limited access agreements have been in place for several years.

BFS RESULTS

CAPITAL AND OPERATING COSTS

The Total Pre-Production Capital expenditure to support the mining and processing operation has been estimated in the BFS Update to be US$351 million (CA$468m) as detailed in ***Table 15***.

Table 15– Pre-Production Capital

Pre-Production Capital*	US$
Mobile Mining Equipment	92
Wash Plant and Coal Handling Facilities	102
Infrastructure (rail load-out, roads, power, offices, shop etc)	75
Pre-Strip and Indirects	40
SUBTOTAL – CAPITAL	**309**
Owners costs	9
Reclamation Security	2
Contingency	31
TOTAL CAPITAL	**351**

**Capital Expenditure has been converted from CAD to USD at 0.75*
Note: Totals may be off due to rounding.

The mine operating cost estimate considers all aspects of the mining operation, including coal processing, coal and waste loading and haulage, topsoil salvage and replacement, road maintenance, water management, reclamation and site administration. Operating costs are summarised in ***Table 16***.

Table 16 –FOB Costs (excludes sustaining capital)

FOB Operating Cost*	Unit	Years 1-4	LOM
ROM Strip Ratio	BCM:ROMtonne	4.1:1	4.7:1
Clean Coal Strip Ratio	BCM:t clean coal	7.4:1	10.3:1
Operating Costs – clean coal			
Waste	US/t	22.12	31.94
ROM Coal Production	US/t	4.76	6.77
Preparation Plant	US/t	8.06	10.02
Clean Coal Handling	US/t	2.16	2.34
Reclamation	US/t	0.07	0.14
Minor Equipment Operating Costs	US/t	0.81	1.00
Free on Rail (FOR)	**US/t**	**37.98**	**52.22**
Marketing and Corporate	US/t	1.01	1.01
Administration	US/t	4.65	5.90
Rail and Port Charges	US/t	29.25	29.25
Royalty	US$/t	4.18	4.79
Free on Board ('FOB') Cost	**US$/t**	**77.07**	**93.17**

**Operating costs have been converted from CAD to USD at 075*

A lease financing scenario has also been examined by Stantec designed to reduce start- up capital whilst preserving the overall performance of the project. For the major mining equipment, Stantec obtained leasing information as an alternative to buying. Lease rates were obtained for new equipment over a 5 year life with no residual. The leasing rate was assumed to be 5.5% (rates provided varied between 4.9% to 5.5%) as provided by equipment vendors. Longer and more favourable terms may be available once actual bids are placed, potentially lowering operating costs.

Table 17 summarizes the effects on capital and operating cost of the leasing alternative.

Table 17: Leasing alternative effect on capital expenditure and operating costs

Scenario*	Start-Up Capital US$M	LOM CASH FOB** US$/tonne
Purchased Equipment	351	93.17
With Leased Equipment	279	98.44

**Capital Expenditure has been converted from CAD to USD at 0.75*

***Includes royalty, excludes sustaining capital*

Sustaining capital requirements, including contingency, included in the NPV and IRR calculations in the section below, are US$196 million (CA$261m), and US$136 million (CA$181m) for the base, and leased equipment cases respectively.

FINANCIAL MEASURES

The LOM is estimated at 15 years, with annual clean coal sales ranging up to 2.3Mtpa based on plant yields, which vary by mining area. A total of 26.3 million tonnes of clean coal are estimated to be sold, of which 22.5 million tonnes is hard coking coal, and the balance PCI.

The clean coal stripping ratio (BCM of waste to tonne of clean coal) ranges from 5.1:1 to 8.6:1 during the first 4 years of operation. This is considered to be low and attractive relative to other surface coking coal projects. The low LOM clean strip ratio of 10.3:1 is due to Crown Mountain's topography and the presence of several major coal seams near surface.

Primary outputs from the BFS are listed in ***Table 18*** (pre-tax) and ***Table 19*** (after-tax). Results for the alternate financing options are included.

Table 18 – Bankable Feasibility Study Economics (Pre-Tax Basis) (Capital includes contingency)

Scenario*	Start-Up Capital US$M	LOM CASH FOB** US$/tonne	IRR %	NPV_{10} US$M
Purchased Equipment	351	93.17	36.4	376
With Leased Equipment	279	98.44	40.5	379

**Capital Expenditure has been converted from CDN to USD at 0.75*

***Includes royalty, excludes sustaining capital*

Table 19 – Bankable Feasibility Study Economics (After-Tax Basis except FOB) (Capital includes contingency)

Scenario	Start-Up Capital US$M	LOM CASH FOB* US$/tonne	IRR %	NPV_{10} US$M
All Capital	351	93.17	27.2	217
With Leased Equipment	279	98.44	31.5	228

**Capital Expenditure has been converted from CDN to USD at 0.75*

***Includes royalty, excludes sustaining capital*

STAFFING

The mine and plant are staffed to operate 365 days per year, 24 hours per day, less statutory holidays scheduled downtime, and estimated delays due to weather and other events.

Peak hourly labour employment is 260 persons. Staff, which includes supervisory and administrative personnel, totals 69 for a total of 329 direct employees.

SENSITIVITY ANALYSIS

Stantec has performed a sensitivity analysis by varying certain factors over the life of the operation, the results of which are presented in ***Table 20***. The selected parameters evaluated are:

- **Coal Sales Price:** The model is most sensitive to relative moves in the coal sales price. The price variations were applied to both coking coal and PCI, across all production areas life-of-mine.
- **Port:** The BFS has assumed shipping out of a Vancouver coal terminal, preferably Westshore. Should that prove unachievable due to capacity constraints (which are not considered likely in the BFS), there is an additional cost of US$12 per tonne to transport coal to the Ridley terminal in NW BC. The base case pre-tax IRR of 36.4% would drop to 27.5% in that event.
- **Operating Cost:** Sensitivities to +/- 10% and +/- 20% were evaluated. Operating costs include ore and waste mining, preparation plant, clean coal handling, reclamation, minor equipment, marketing, corporate, and administration (rail and port costs are excluded). The effect on economics is not as significant as coal sales price variation.
- **Capital Cost:** As with operating cost, the effect is not as impactful as varying the coal sales price. The +/- 10% is applied to base capital, sustaining capital and the capital contingency.
- **Exchange Rate:** Along with coal sales price, the model is very sensitive to movements in the exchange rate.

Table 20 – Sensitivity Analysis

NPV10 (US$M)					
		Pre-Tax		After Tax	
	Sensitivity Range	+	-	+	-
Base Case		376		217	
Selling Price	+/-10%	571	182	341	92
Selling Price	+/-20%	766	-13	466	-39
Rail & Port	+US$12/tonne	233	n/a	125	n/a
Operating Cost	+/-10%	311	441	175	258
Operating Cost	+/-20%	246	507	134	299
Capital Cost	+/-10%	339	414	182	251
Exchange Rate	+/-0.10 CAD	166	651	82	392
IRR %					
		Pre-Tax		After Tax	
	Sensitivity Range	+	-	+	-
Base Case		36.4%		27.2%	
Selling Price	+/-10%	47.3%	24.3%	35.4%	18.0%
Selling Price	+/-20%	57.6%	8.7%	43.1%	6.0%
Rail & Port	+US$12/tonne	27.5%	n/a	20.6%	n/a
Operating Cost	+/-10%	33.1%	39.6%	24.6%	29.6%
Operating Cost	+/-20%	29.5%	42.6%	21.8%	31.9%
Capital Cost	+/-10%	31.9%	41.8%	23.3%	31.9%
Exchange Rate	+/-0.10 CAD	23.1%	52.0%	17.2%	38.8%

PROJECT FINANCING

All material assumptions for the BFS are outlined in this report. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the BFS will be achieved. Funding for pre-production capital expenditure in the order of US$351 million (which incorporates a 10% contingency allowance) will be required if the company purchases all of the mobile mining equipment, shop, washbays and ancillary equipment. The scenario presented in the BFS assumes all capital items are purchased. As part of optmisation studies, and as the project gets closer to investment decision alternative funding arrangements (e.g. leasing or contract mining) for the aforementioned items will be examined, as is common practice in the mining industry. This has the potential to reduce the pre-production capital requirement.

Jameson currently has an agreement (for further details see ASX announcement released 29 June 2018 entitled Jameson Reaches Agreement with Strategic Partner to Advance Crown Mountain) with Bathurst Resources Limited ('BRL') whereby, at BRL's discretion, once the BFS is complete and the required permits have been issued BRL has the option to sole fund the first CA$110m of construction costs in the form of cash to take their shareholding in NWP Coal Canada Ltd to 50%. CA$2.6m of this CA$110m has been advanced already under BRL's Tranche 2 option advance leaving CA$107.4m at their discretion.

The Company anticipates that the source of funding for the capital investment will be any one, or a combination of, equity, debt, the use of contractors (to reduce overall pre-production capital requirements) and pre-paid offtake from the project. Whilst no final decision has been made in that regard, the financial model assumes a maximum A$280 million in debt (representing a 60:40 debt: equity split, also assumed in the risk adjusted Weighted Average Cost of Capital ('WACC')). The Company

has undertaken discussions with potential debt financiers for the project. As noted above, the financial model provides for debt capacity and is designed to meet the expectations of any providers of potential debt funding for their due diligence and other internal requirements. The Company cautions that any funding by way of an equity issue may be dilutive to existing shareholders.

KEY RISKS

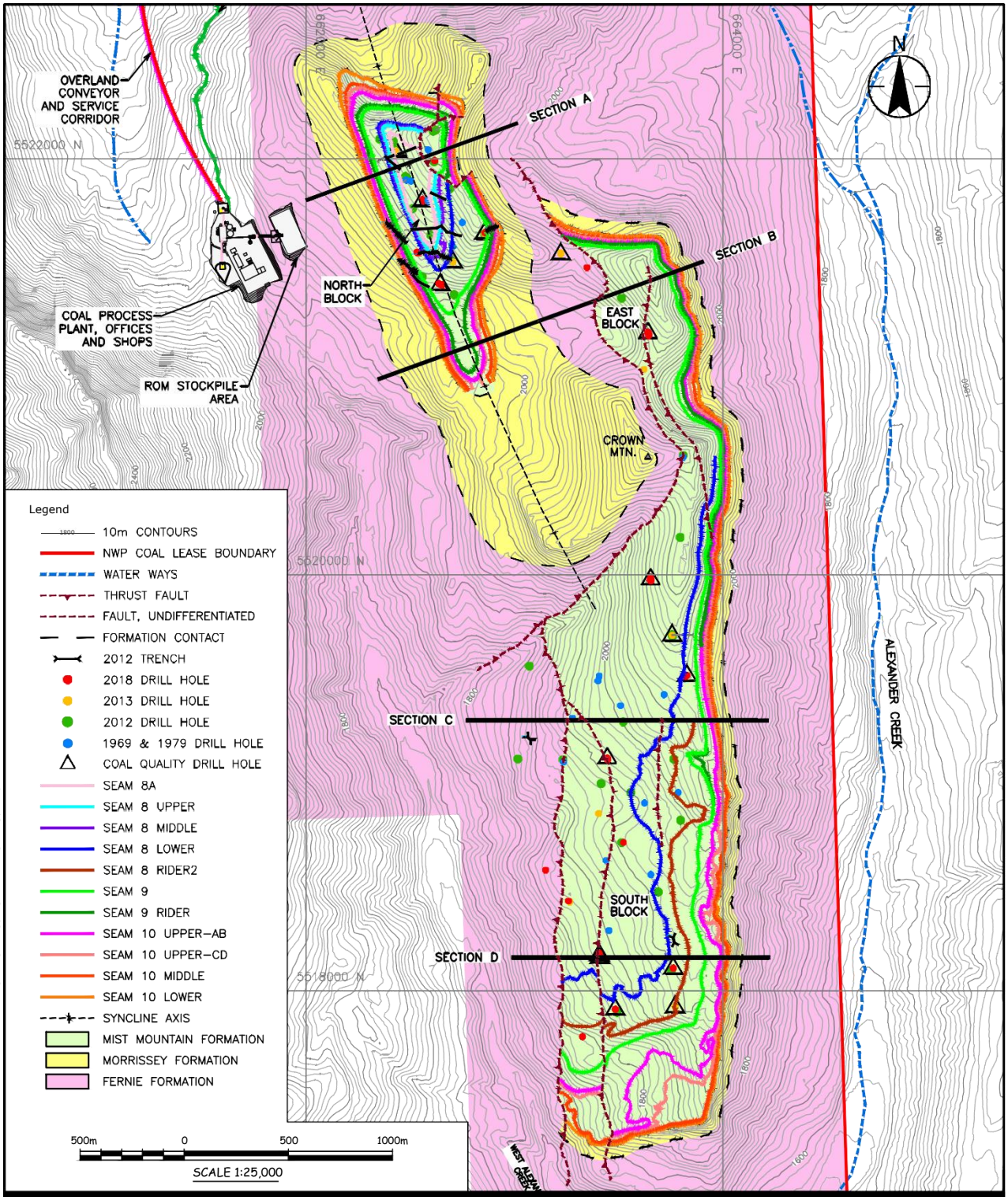
The material risks identified in the BFS are listed below:

- **Market Risk**: The Stantec economics are based on pricing forecasts from a reputable and respected source (Koornhof), however there is no guarantee these forecasts will prove accurate.
- **Coal Quality**: While the historical 2013 exploration program has provided what is believed to be reliable and detailed coal quality information, that was supported by the results from the 2018 exploration program; there remains some risk until actual sample shipments have been made from Crown Mountain to prospective customers and accepted as compliant to their specifications.
- **Plant Yield**: Significant information on coal washability was acquired during the summer 2018 bulk sampling and washability evaluation program. This data is deemed to be sufficient for BFS level engineering. Plant yield has been specifically estimated for each mining area (North, East, and South).
- **Environmental/Permitting**: The EA application is being developed to meet the requirements detailed in the Application Information Requirements (AIR) issued in April 2018 for the Crown Mountain project. While the environmental base line program (much of which is completed, some of which is ongoing), and modelling efforts to support the EA Application has greatly expanded the knowledge base at Crown Mountain, NWP is not in a position at this time to accurately determine the government's decision to what environmental and mining permits NWP may in the future submit. Further, the siting of certain infrastructure is subject to ongoing environmental studies and the cooperation of the parties controlling the respective areas
- **Port**: At this time, it appears likely that sufficient port capacity, based on the current expansion plans of Neptune Terminals, will exist once Crown Mountain commences operation. However, there are several other coal projects under evaluation in western Canada which also contemplate export. Jameson does not at this time hold a contract for port capacity. Until a contract is executed, there remains a risk associated with this category. In addition, should a contract be signed, a new risk may be present if the contracts contain any economic penalties for not meeting committed tonnages, such as take-or- pay stipulations.
- **Mining Risk**: The assumptions regarding the mining operation are based on exploration results and experience in similar geo-mining conditions by Stantec. Equipment selection and performance are based on assumptions believed to be suitable for the Project, however, there is no guarantee the results predicted in the BFS will be achieved should excursions from the assumptions occur.
- **COVID-19**: the potential adverse impact of the Covid-19 pandemic (Covid-19) on future Project development and efficient operations. Consideration, is and will continue to be, given to mitigation measures including using wider ranges for the stress testing of business scenarios, project economics, consideration of alternate fundraising strategies and establishing Covid-19 management protocols during Project development and operation.

SUMMARY

The Crown Mountain Project is located in an infrastructure-rich area, and work performed to date has concluded that it has a favourable clean coal stripping ratio and will produce predominantly HCC generating attractive economics.

Diagram 1 – Geology Map



v:\1295\active\129500199\disc\drafting\10 geology figures\2-4 geology map

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Notes

Client/Project Logo

NWP Coal CANADA LIMITED

Client/Project
NWP COAL CANADA LTD.

CROWN MOUNTAIN PROJECT

Title
TECHNICAL REPORT

GEOLOGY MAP

Scale: 1:25000 Drawing No. 2-4

KSM	IM	IM	2020.02.12
Dwn.	Dsgn.	Chkd.	YYYY.MM.DD

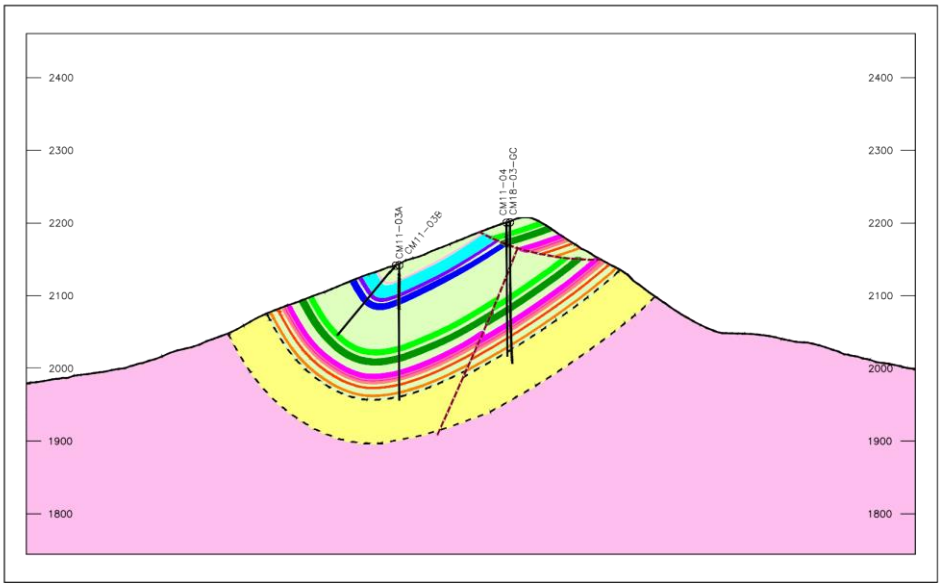
Revision: 0

Project No.: 129500199

File Name: 2-4 GEOLOGY MAP

ORIGINAL SHEET - ANSI A (8.5 "x 11")

Diagram 2 – Cross Section A-A



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Legend

- TOPOGRAPHY
- CONTACT
- FAULT
- SEAM 8A
- SEAM 8 UPPER
- SEAM 8 MIDDLE
- SEAM 8 LOWER
- SEAM 8 RIDER2
- SEAM 9
- SEAM 9 RIDER
- SEAM 10 UPPER-AB
- SEAM 10 UPPER-CD
- SEAM 10 MIDDLE
- SEAM 10 LOWER
- MIST MOUNTAIN FORMATION
- MORRISSEY FORMATION
- FERNIE FORMATION

Client/Project Logo

NWP Coal CANADA LIMITED

Client/Project
NWP COAL CANADA LTD.

CROWN MOUNTAIN PROJECT

Title
TECHNICAL REPORT

CROSS SECTION A-A'

Scale: 1:6000 Drawing No. 2-5

KSM	IM	IM	2020.02.12
Dwn.	Dsgn.	Chkd.	YYYY.MM.DD

Revision: 0

Project No.: 129500199

File Name: 2-5 CROSS SECTION A-A'

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2020.04.20 9:33:00 AM

ORIGINAL SHEET - ANSI A (8.5 "x 11")

Diagram 3 – Cross Section B-B

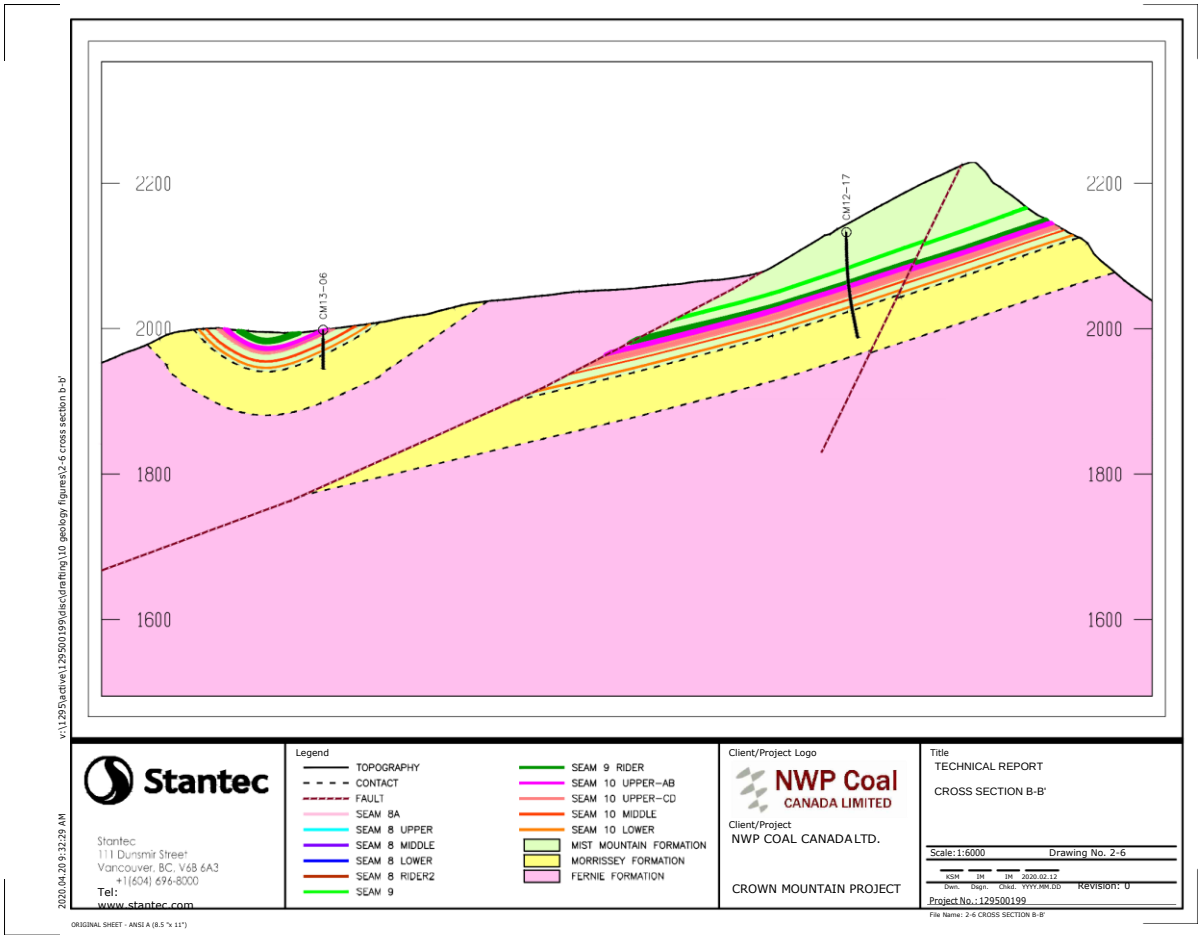


Diagram 4 – Cross Section C-C

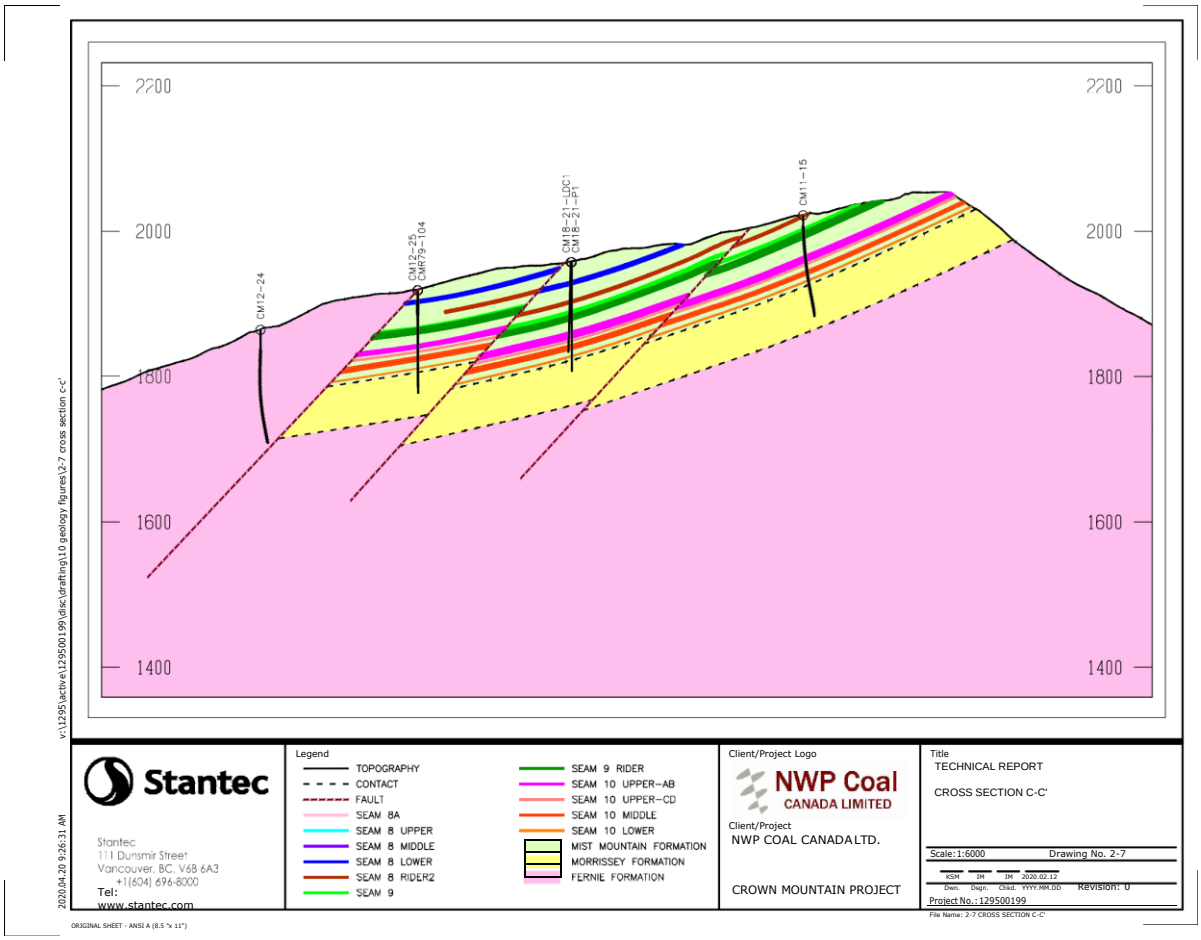


Diagram 5 – Cross Section D-D

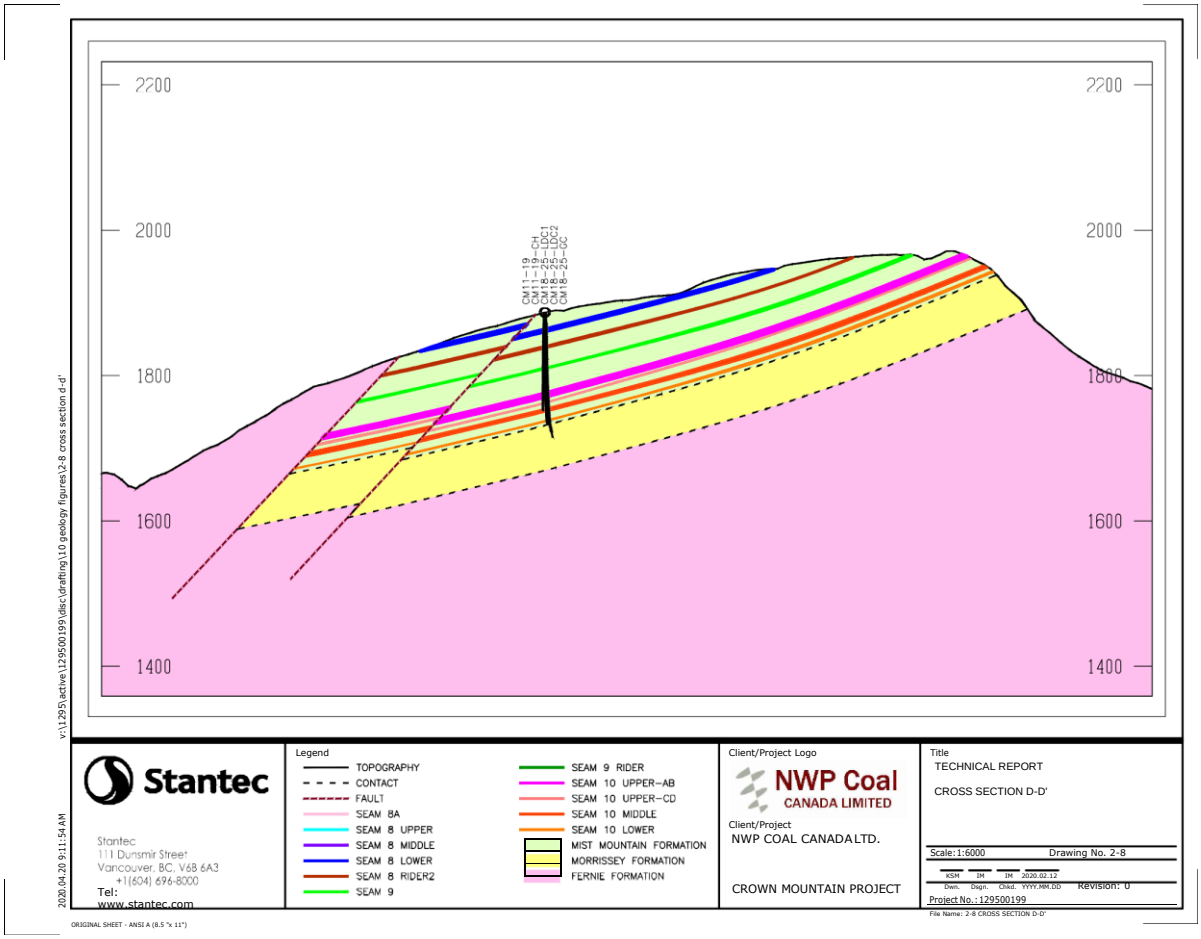


Diagram 6 – Drill Hole Location Map

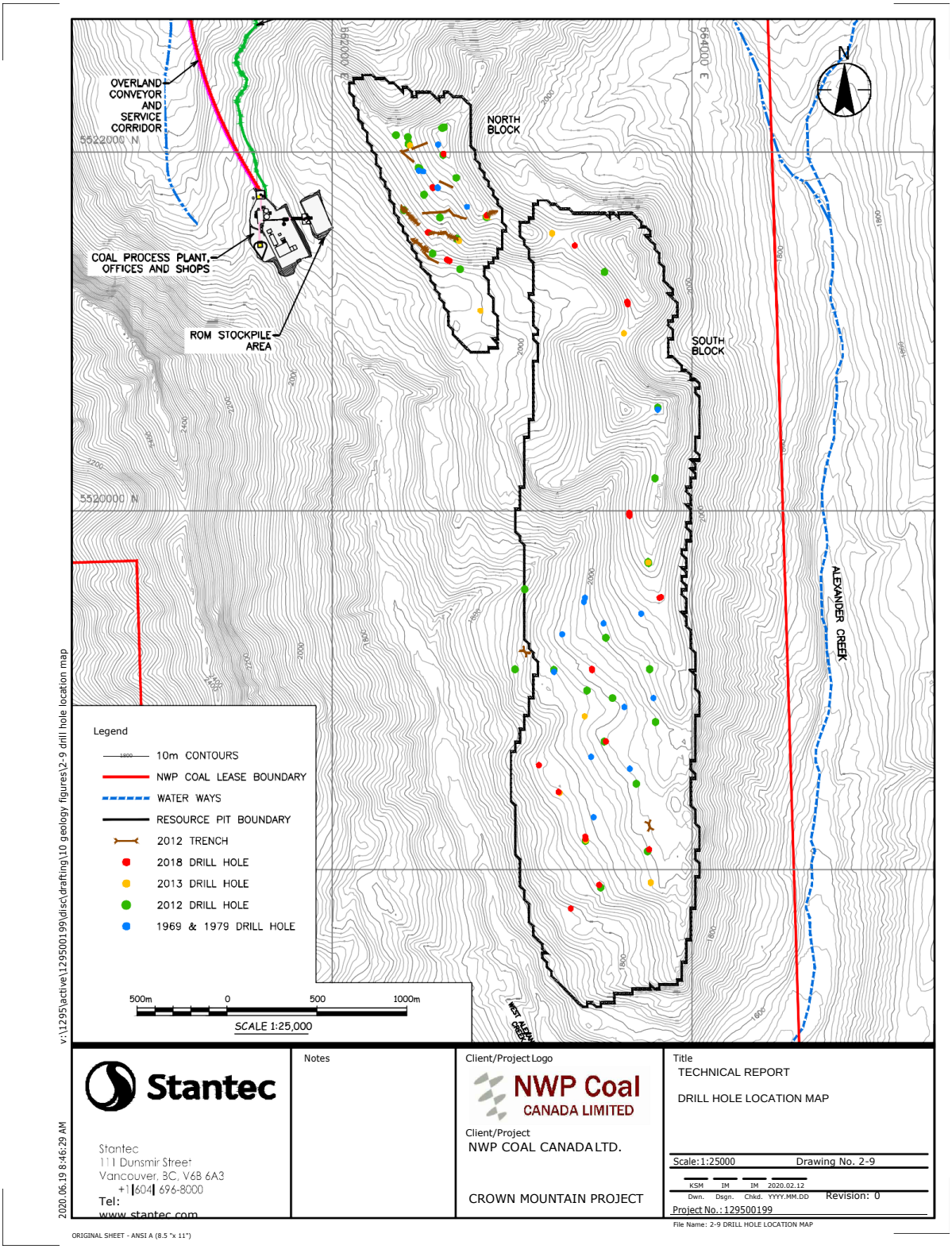
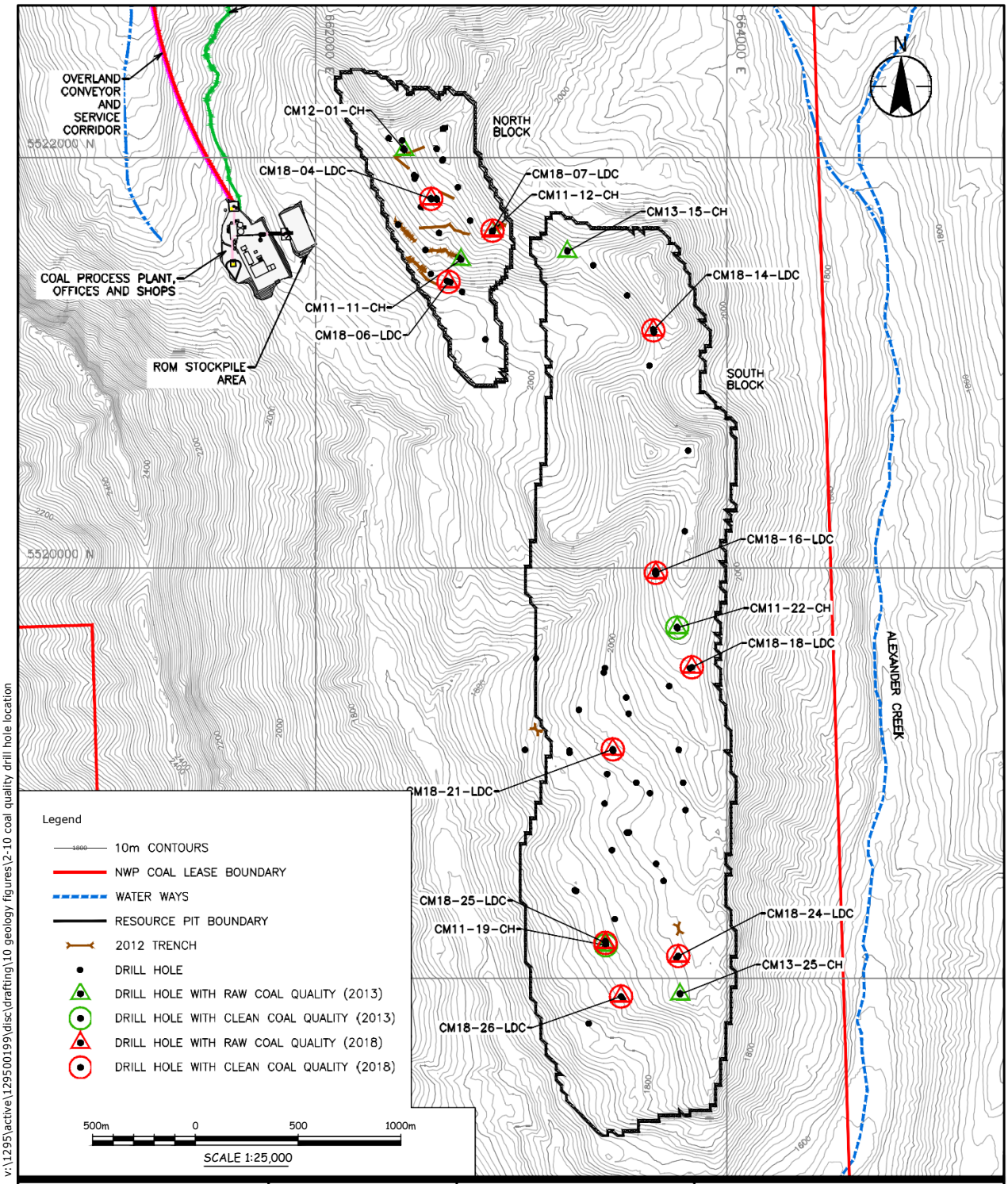


Diagram 7 – Coal Quality Drill Hole Location Map



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Stantec

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Notes

Client/Project Logo

NWP Coal CANADA LIMITED

Client/Project
NWP COAL CANADA LTD.

CROWN MOUNTAIN PROJECT

Title
TECHNICAL REPORT

COAL QUALITY DRILL HOLE LOCATION MAP

Scale: 1:25000 Drawing No. 2-10

Dwn.	Dsgn.	Chkd.	YYYY.MM.DD	Revision: 0
KSM	IM	IM	2020.06.16	

Project No.: 129500199

File Name: 2-10 COAL QUALITY DRILL HOLE LOCATION

ORIGINAL SHEET - ANSI A (8.5 "x 11")

COMPETENT PERSON STATEMENT

Resource Estimate

The information in this ASX announcement that relates to the coal resource estimate of the Crown Mountain Coal Project developed in 2020, accurately reflects information prepared by Mr. Ivan Minev, P.Geo., who is a competent person (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Coal Resource Estimate of the Crown Mountain Project Coal Project is based on information resulting from work carried out by Stantec Consulting Limited. Mr Minev is a Member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time, being the Association of Professional Engineers and Geoscientist of Alberta. Mr Minev is an employee of Stantec Consulting Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Minev consents to the inclusion in the document on the matters based on his information in the form and context which it appears.

Reserve Estimate and Bankable Feasibility Study

The information in this ASX announcement that relates to the coal resource and reserve estimate and bankable feasibility study of the Crown Mountain Coal Project developed in 2020, accurately reflects information prepared under the supervision of Mr. Sean Ennis, P.Eng., who is a competent person (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Coal Resource Estimate, Coal Reserve Estimate and Bankable Feasibility Study of the Crown Mountain Project Coal Project is based on information resulting from work carried out by Stantec Consulting Limited. Mr Ennis is a Member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time, being the Engineers and Geoscientists of British Columbia. Mr Ennis is an employee of Stantec Consulting Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ennis consents to the inclusion in the document on the matters based on his information in the form and context which it appears.

Production Targets

The Mineral Resources and Ore Reserves underpinning the production targets and financial information included in this announcement were prepared by Messers Minev and Messrs Ennis respectively in accordance with the requirements of the JORC Code. Messrs Minev and Messrs Ennis respectively consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. The production targets and forecast financial information in this announcement are underpinned by Measured (76.84%) and Indicated (23.16%) Resources.

This announcement is authorised for release to the market by the Board of Jameson Resources Limited.

For further information, please contact
Joel Nicholls
Executive Director
joel.nicholls@jamesonresources.com.au

FORWARD LOOKING STATEMENTS

Some of the statements contained in this ASX announcement are forward-looking statements. Forward looking statements include but are not limited to, statements relating to, among other things, the operations of Jameson and the environment in which it operates. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved. Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to commodity prices and foreign exchange rate movements; estimates of future production and sales; estimates of future cash flows, the sensitivity of cash flows to commodity prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of resources and statements regarding future exploration results; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to commodity price volatility, currency fluctuations, the exploration, development and mining of mineral properties; the inability to obtain mine licenses, permits and other regulatory approvals required in connection with mining and processing operations; increased production costs and variances in resource or reserve rates from those assumed in the Company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other ASX announcements. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Various factors could cause actual results to differ from these forward-looking statements and include the potential that the Crown Mountain Project may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. The reader is cautioned not to place undue reliance on forward-looking statements or information. Readers are also cautioned to review the risk factors identified by Jameson in its regulatory filings made from time to time with the ASX.

TABLE 2.1
NWP COAL CANADA LTD. AND JAMESON RESOURCES LIMITED
CROWN MOUNTAIN COAL PROPERTY
JORC CODE 2012 EDITION

Section 1 Sampling Techniques and Data

(Criteria listed in this section also apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg, submarine nodules) may warrant disclosure of detailed information.*	• Reverse circulation ("RC") and large diameter core ("LDC") drilling was used to collect samples. • The samples from RC drilling were collected on 0.5m intervals as soon as coal zones were reached. Drilling was stopped between each sample for dewatering and to allow accurate interval separation. • Sample bags were assigned with hole and individual sample numbers, zip-tied and stored in heavy duty plastic tubs for transportation to laboratory. • For LDC drilling, seam composite samples were collected from the entire coal zone for all coal zones ≥0.5m. Partings greater than 0.5 m true thickness were sampled and analyzed separately from the coal samples. • The top and bottom 0.2m of rock in contact with the coal zone were sampled and analyzed for use in out-of-seam dilution evaluation. In addition, coal seams marginally below 0.5m were sampled for separate analysis but are not currently used in the coal quality model. • For the coal quality assessment only samples from LDC drilling were used. • A suite of geophysical logs, including density, gamma, resistivity, neutron, temperature and drill hole deviation were run both within drill pipe and in the open hole where ground conditions permitted. • Sample was collected in polywoven cloth and/or high strength polyethylene bags on approximately 0.5 metre intervals.

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• In 2012 NWP Coal Canada Ltd. (NWP Coal) undertook an exploration drilling program which included 40 reverse circulation drill holes with a cumulative total drilled meterage of 5,707 m. • In 2013 NWP Coal undertook an exploration drilling program which included a total of 6 RC drill holes and 7 LDC (150mm) core holes with a cumulative total drilled meterage of 1,653 m. • The 2018 NWP Coal exploration program consisted of 33 drill holes with a cumulative total drilled meterage of 4,711 m. The drilling program included 16 LDC holes, 10 RC holes, as well as seven small diameter (75mm) core (SDC) fully cored geotechnical holes. • LDC holes were twinned from new or existing pilot holes and were drilled vertically. All coal intervals were cored. In 2013, selected non-coal intervals were cored for geotechnical purposes. • SDC holes - in 2018 seven holes were completely cored for geotechnical purposes. • RC holes were drilled using a conventional face hammer, PDC or tri-cone drill bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery in the coal intervals from the LDC holes was 95% in 2013 and 89% in 2018 on average basis. Expected depth to coal seams was known from the geophysical log of the RC pilot hole. The driller was advised prior to reaching the top of the seam. Core catcher tools were used through less competent coal zones to ensure maximum recovery. • For the majority of LDC holes, all of the coal seam recovered was submitted to a laboratory for coal quality test work. • 2012 RC samples were largely wet and passed over a static 100 mesh screen. 2013 RC samples were passed over a 325-mesh vibrating screen to ensure most of the fine coal was retained and dewatered to the extent practical. The 2018 RC holes were largely for pilot purposes to guide LDC drilling and not all were sampled (selected holes were sampled over a 325-mesh vibrating screen). • Limited coal was recovered from the SDC geotechnical holes: the target for that drilling was non-coal intervals, and coal recovery was not an objective.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core was photographed immediately following separation of the split barrel at the rig and also following mark-up. • Core was geologically and geotechnically logged before sampling and shipment to laboratory. • All holes were geologically and geophysically logged. • A suite of geophysical logs, including density, gamma, resistivity, neutron, temperature and drill hole deviation were run both within drill pipe and in the open hole where ground conditions permitted. • All geophysical tools were calibrated by the logging company (Century Wireline) using their internal calibration procedures. • Geophysical logs were analysed extensively and used to confirm and correct geological logs. Validation of geological logs against geophysics were undertaken to ensure accuracy.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second- half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• In 2012 and 2013 all core coal samples were bagged and placed into heavy duty plastic tubs on-site before being transported to Birtley Coal & Minerals ("Birtley") in Calgary for coal quality test work. In 2018 the bagged samples were stored in a refrigerated trailer before and during transport to Birtley. • Roof and floor dilution samples were also collected, and all collected materials were sent to the laboratory for test work. • Core samples from the roof and floor along with selected zones of interburden were retained for metal leaching and acid rock drainage analysis. The British Columbia Ministry of Energy and Mines and Environmental Assessment Office (EAO) requires this data as part of the environmental approvals process. • All remaining core sample (non-coal) from 2013 was retained in wooden boxes on pallets at each drill site within project area. Those samples were shipped to a geochemical laboratory in 2018 for analysis. There are no core samples remaining on site. • The majority of RC sample collected through the coal zones were retained. • Birtley complies with ASTM Standards for sample preparation and sub-sampling. • The collection of LDC ensured sufficient bulk sample was retained for all the required coal quality test work.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Birtley adheres to ASTM and ISO preparation and testing specifications and has Quality Control processes in place. These processes include using control samples and running duplicate runs of samples, inclusion of blind samples for checking of instrument and operator repeatability and running quality control checks before and after every batch of samples to ensure the instrument is performing within tww standard deviations. • Birtley adopts standard Quality Assurance procedures participates in the International Canadian Coal Laboratories Round Robin Series (CANSPEX) since its inception. • Select samples from the 2018 program were forwarded to two other laboratories (SGS – Delta and CanmetENERGY) for a comparison on raw ash and FSI. Generally, Birtley and SGS FSIs were similar and any variation between their two datasets was random – not biased in one direction. Canmet FSIs were generally higher than both SGS and Birtley. There was one raw coal sample where the difference in FSI between the three labs was 2.5. This was likely due to a subsample error on Birtley's account. • Clean coal sample blends of the North and South Blocks were analysed both at Birtley Coal and CanmetENERGY as part of a mini 'round robin' check. The results from both Birtley and CanmetENERGY are very similar for all analyses and within the repeatability criteria for the standard. • Geophysical tools were calibrated by the logging company Century Wireline using their internal calibration procedures. • Petrography analysis in 2013 were completed by CoalTech Petrographic Association of Pennsylvania in 2012. The laboratory follows ASTM Standards D2797, D2798 and D2799. • In 2018, Pearson Coal Petrography completed the petrographic analyses on this project. The laboratory follows ISO 7404/5 for testing and reporting of Vitrinite Reflectance and ASTM D2799 and ISO 7404-3 for testing and reporting of Maceral Analysis. Pearson undertakes regular recalibration of their photometers, they use two methods of determining vitrinite reflectance to ensure accurate results and they run monthly internal round robin testing between their laboratories worldwide. The lab also participates in the CPA Round Robin each quarter. Each petrographer is accredited by the International Committee of Coal and Organic Petrographers.

Criteria	JORC Code explanation	Commentary
		• Many levels of analysis results verification are included in the ASTM standards relating to coal quality analysis.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All LDC holes are twins of previously drilled RC pilot holes. All LDC and RC holes have geophysical logs. • The geophysical logs were thoroughly reviewed, and the provided interpretation of the seam and rock band thicknesses and depths were verified by Stantec. • Sample and coal quality results were verified and summarized by NWP Coal. Stantec validated the provided coal quality results summary by cross-checking them with the original laboratory reports. • No adjustments were made to the coal quality data results used in coal quality assessments; they were reported as received from the laboratory. • Coal quality data from the lab is stored in electronic format, and then transferred to a database.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole and trench locations drilled or excavated in 2012, 2013 and 2018 were surveyed by external licensed professional contract surveyors Garrett Winkel Land Surveying Ltd after completion. • Holes are surveyed in UTM NAD83 CSRS datum with geodetic (sea level) elevation. • LiDAR topographic survey data with a 1m by 1m spacing was used to create gridded topographical surface. • Horizontal Accuracy, 95% or 2σ 30cm • Fundamental Vertical Accuracy (on flat hard surfaces), 95% or 2σ 15cm • The 1979 drill hole locations were acquired from the 1979 Coal Assessment Report coordinates and converted to the current UTM grid. • The 1969 drill hole locations were acquired from the available drill hole location maps in 1979 Coal Assessment Report coordinates and converted to the current UTM grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes were nominally spaced at 80m in the North Block where geology is classified as Complex and at 180m spacing in the South Block where geology is classified as moderate. • A total of 12 trenches were excavated using a backhoe. Coal seams exposed were surveyed and provided additional data points used to confirm the geological model. • The data spacing of the coal intersections is considered sufficient to give accurate control to the resource model and give the required confidence to the resource areas. • LDC coal quality samples were individually analysed in 2013 on a per seam basis. In 2018, where multiple LDC holes were drilled on a pad, those samples were composited by seam and then analysed. These seam samples were then composited to form representative blends.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation and spacing of the drill hole locations are deemed to be suitable to detect geological structures and coal seam continuity within the resource area.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Core when removed from the borehole remains in the core splits until identified and photographed. • The coal samples are placed into a heavy plastic bag. A uniquely numbered sample tag, which came in triplicate, was then marked with the hole ID, date and sample interval and placed inside a small sandwich bag and then placed inside the heavy plastic bag containing the coal. This heavy plastic bag was then placed inside another heavy plastic bag (double bagged) and the hole ID and sample ID was then marked on the outside of the outer bag using a permanent black marker. A second sample tag was then secured to the outside of the outermost plastic bag when securing the bag in a closed position. The third sample tag was kept by the geologist. Then the samples are placed in heavy duty sealed plastic tubs (2013) or a secure refrigerated trailer (2018). • Samples are transported to laboratory on a regular basis approximately corresponding to the completion of each drill hole. A list of samples is created, and a receipt is provided by the local courier. • Immediately after bagging and tagging, the sample was weighed and the weights, sample IDs and hole number was added to a chain-of-custody form. • The chain-of-custody form is first audited by on-site personnel for completeness and accuracy and then it was shipped with the samples and audited by the laboratory upon unloading. • All of the un-sampled 2013 core was placed in heavy duty sealed wooden boxes and placed on pallets, strapped with metal banding and stored on-site. There was no material amount of unsampled core in 2018.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• In 2012 and 2013, Jameson together with Norwest Corporation and Birtley Coal & Minerals Laboratory were responsible for implementing and developing the sampling techniques and data capture. • In 2018, the sampling techniques used to sample LDC holes was consistent with the previously established sampling techniques utilized in 2013 for the LDC holes except that in 2018, rock partings less than 0.5m true thickness were sampled with coal unless the logistics of the total weight of the sample or bag size limited this action. • Birtley adheres to ASTM and ISO preparation and testing specifications and has Quality Control processes in place. • All drill hole and analytical data is stored and retained by Jameson and Stantec in a digital format in both Microsoft Excel or Microsoft Access. Jameson has retained copies of all analytical reports and data in excel format as well as pdf copies of the signed official laboratory certificates. Birtley also retains all its analytical reports. • In-field sampling techniques have been audited every drilling campaign by the Competent Person from Norwest Corporation and Jameson in 2012 and 2013, as well as by Jameson, Stantec and Bathurst Resources Limited in 2018. An extensive review was undertaken by several geologists, of the coal seam picks and correlation was done in 2018 to further check previous geological correlations.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• NWP Coal Canada Ltd ("NWP Coal") has a 90% interest in the ten granted coal licenses covering the Crown Mountain project. The licenses 418150, 418151, 418152, 418153, 418154, 418966, 419272, 419273, 419274, and 419275 cover a combined area of 5,630 ha. • NWP Coal acquired certain coal license rights from Robert J Morris in 2011. On completion of the transaction, Jameson acquired a 90% interest in the property, the remaining 10% being retained by Mr Robert J Morris as an undivided 10% interest (non-profit sharing). • NWP Coal holds an option to acquire the remaining 10% interest. The option agreement requires that Jameson pay an annual rental fee of C$100,000. If Jameson elects to exercise the option and acquire the remaining 10% interest in the property, it is obliged to pay Mr Robert J Morris a fee of C$2,000,000 which may take the form of a series of staged payments. • In September of 2019, a subsidiary of Bathurst Resources Limited elected exercise the Tranche 1 Option to increase their investment in NWP Coal Canada Ltd from 8% to 20% from Jameson Resources Limited. • Bathurst Resources Limited has an option to increase that interest to up to 50% from Jameson Resources Limited provided certain future milestones and payments occur (for further details of the agreement please refer to the announcement released to the ASX on 29 June 2018 entitled 'Jameson Reaches Agreement with Strategic Partner to Advance Crown Mountain.' • The only other payment that the property is subject to is the annual rental fee and statutory production royalties to the BC Provincial government. • The licences are in good standing and NWP Coal is unaware of any impediments to the security of tenure.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• In 1969, Crow's Nest Industries Ltd. completed a drilling program of 11 holes for a total of 1,669m. Geophysical logs and survey data of the hole collars are the only records that remain from this drill program. • In 1979, Crowsnest Resources Ltd (Shell Canada) completed a drilling program of 7 holes for a total of 912m. Core drilling was attempted in two shallow holes. • In 1980 and 1981, exploration activities included detailed geological mapping at scale 1:5000 and hand-dug trenches • Only minimal coal quality data is available from the historical exploration programs.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Crown Mountain Coal project lies within the Elk Valley coal field in southeast British Columbia, Canada. • The property is divided into three structural domains with separate geological attributes. The domains are referred to as the North Block, South Block and the Southern Extension Block. The Crown Mountain thrust fault ("CMF") separates the North Block from the South Block. The Southern Extension Block is not part of the BFS. • Coal seams are hosted within the Jurassic to Lower Cretaceous Mist Mountain Formation. The coal bearing Mist Mountain Formation is underlain by the Morrissey Formation which includes the regional cliff forming Moose Mountain Member. • Drilling has intersected three principal seams, named Seam 8, Seam 9 and Seam 10. The Seam 8 and 10 consist of three major plies – Upper, Middle and Lower. The term major seam has been defined to include all seven seams in order to distinguish them from other coal horizons referred to as rider seams. • The seven major seams have combined average net coal zone thickness of 28.0m in the North Block and 14.5m in the South Block.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• At Crown Mountain, 104 holes have been drilled on site totaling 14,653 m. NWP Coal drilled 33 holes in 2018, 13 in 2013, and 40 in 2012. There are 18 holes drilled by others between 1969 and 1979. Some of the holes were drilled as angle holes.
		• All of the holes excluding CMR69-25 and CMR-79-102 were used in the 2019 resource model. These drill holes were re-drilled and drill holes CM11-03 and CM12-18 are used instead.
		• Twelve trenches, 39 outcrop points with coal description and 203 outcrop points with dip and dip direction data were used in the 2019 resource model development.
		• A full list of the drill holes including easting, northing, elevation, dip and azimuth, downhole depth and coal zone combined thickness and hole length was reported to the ASX on 2 August 2019 entitled 'Crown Mountain Coal/Coke Testing Program Complete: Hard Coking Coal Confirmed (Updated)'.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• For Crown Mountain, a minimum coal thickness of 0.5m and a maximum non-separable parting thickness of 0.5m was used for coal and waste discrimination • The core sampling was completed by including all coal intervals greater than 0.5m and rock parting less than 0.5m. • Rock of approximately 20cm thickness was sampled above and below the coal seams to evaluate the out-of-seam dilution. • Rock parting greater than 0.5m, roof, and floor samples were analyzed separately from the coal. • The RC samples were assembled from the 0.5m samples based on the sample description and the seam limits of the coal interval from the geophysical logs. • The RC and trench sample results were not used in the coal quality assessment.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All 2013 and 2018 holes were drilled vertical. Drill holes had a natural tendency to deviate from vertical because of the varying dips of strata and variance in competency between coal seams and harder sandstone partings. Downhole survey was completed on every hole and was loaded into the model so the most accurate location of the coal intercepts were used. • Differentiation of coal mineable thickness from separable waste intervals is based on true thickness. Using the down-hole survey for each drill hole, in combination with footwall polylines of each seam, an algorithm was used to convert down-hole lengths into true thickness for each of the intervals in a given coal zone.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams drawn to JORC listed requirements were prepared in 2020 by Stantec. Diagrams include location maps, drill hole location plans and appropriate cross-sectional views and are included in Diagrams 1-7 in this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Stantec completed a resource estimate for Crown Mountain based on all available information deemed relevant.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Crown Mountain seams appear to have higher run of mine (ROM) ash than other operating mines in the Elk Valley based on published information. The higher ROM ash results in lower plant yield in some areas of the mine and this is reflected in the modelled plant yield. • Groundwater has been encountered in drill holes. 26 ground water monitoring stations (standpipes) have been installed in selected LDC holes or in drilled-for-purpose monitoring wells in and outside of the proposed pit limits. The groundwater information has been included in the EA submission. • As a requirement of the Environmental Assessment process, significant rock core and cuttings have been collected from the 2013 and 2018 drilling campaigns to assess potential metal leaching and acid rock drainage issues. The consultant (SRK) concluded from the 2013 analyses the Crown Mountain

Criteria	JORC Code explanation	Commentary
		overburden has similar leaching characteristics to the other nearby operating mines in the Elk Valley: geochemical laboratory analysis of the 2018 samples has been completed. Retained samples are stored indoors in a warehouse.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling will be required to upgrade the resource status in the Southern Extension from Inferred to Indicated or Measured. That area is not included in the PFS or the BFS. • Additional in-fill drilling will be completed as part of the development work to support a short-range mining coal quality model prior production commencing. • Additional geotechnical data is required to support detailed design for the rail loadout (RLO), access road widening, water management structures, natural gas pipeline and powerline.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data is recorded manually onto log sheets in the field. Information is entered into the coal exploration database. Data validation checks are undertaken both internally and by external consultants before the data is used for modelling purposes. • During modeling, several data-check routines were executed, and any exceptions addressed. • The geological and analytical data is kept in the relational database software (MS Access) to ensure the data integrity. • The provided geophysical logs for these drill holes have been thoroughly reviewed by NWP's independent geological consultants and the provided interpretation of the seam and rock band thicknesses and depths have been verified by Stantec. • The geological sample intervals and analytical coal quality data for the 2018 drill holes was provided in a form of summarized datasheets as well as original Laboratory Reports. The information in the datasheets was cross-referenced with the original Laboratory Report for more than 10% of the data.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person from Stantec conducted a site visit during the 2018 drilling program. The Competent Person confirmed that the drilling and sampling procedures for the establish protocols were being followed and interviewed field personnel during his visit. • Ivan Minev P.Geo. Competent Person from Stantec (independent consultant) conducted site visits during the 2018 drilling program. • Gordon Chen, P.Eng, John Trygstad, from Stantec (independent consultant) conducted a site visit in July 2019. The purpose of the visit is to review and to verify the site conditions for the mining areas, coal processing plant location, and the clean coal haul road.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Geological interpretation of stratigraphy and seam continuity is at a stage where confidence is high. • The most recent interpretation of the overall strata has been undertaken based on the 3D geological model which was updated with the 2018 exploration data. • Raw and clean coal quality were modelled as part of the geologic work completed and incorporated into the resource and reserve estimation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Crown Mountain property is divided into two distinct structural domains separated by a northerly trending thrust fault or CMF. There are three prospects within the project area, the "North Block" which is positioned above the CMF and the "South Block" and "Southern Extension" which are both below the CMF. The "Southern Extension" is excluded from the current study. • Strike lengths for each of the three prospects are: North Block – 1.5km, South Block - 4.4km and Southern Extension – 4.1km. • The major seams in the North Block are structurally bound within a south plunging syncline, extending from surface to a maximum depth of 155m. Coal seams in the South Block extend from surface to a maximum depth of 150m and are structurally bound within a syncline that has been truncated by the thrust fault and only the east limb of the syncline remains. • The Southern Extension is a continuation of the South Block coal measures. Based on structural mapping, there is evidence for increased structural complexity.

Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
	• *The assumptions made regarding recovery of by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	• *Any assumptions behind modelling of selective mining units.*
	• *Any assumptions about correlation between variables.*
	• *Description of how the geological interpretation was used to control the resource estimates.*
	• *Discussion of basis for using or not using grade cutting or capping.*
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*
		• The resource estimation for the Crown Mountain project are based on the resource model developed using Hexagon Mining's geological modelling and mine planning software, MinePlan (MineSight). This system is widely used throughout the mining industry for digital resource model development.
		• The selected block size was based on the density of the drill hole dataset as well as the requirements for the mining selectivity and bench height of this deposit, in this case being 25m x 25m x 5m (length x width x height).
		• The Geological Type is classified (CIM Definition Standards –GSC Paper 88-21). as "Moderate" in the South Block and "Complex" in the North Block. The Southern Extension area has been explored to a much lesser extent than the other two blocks. This area is currently categorized as a "moderate geology type" because it is similar to the South Block that it adjoins to the north.
		• The potentially acid generating (PAG) zones are well known in the Morrissey Formation, which has been confirmed by the geochemical data collected for the EA. The experience at the other Elk Valley mines demonstrate that there is overwhelming neutralizing material to offset any potential for acid generation.
		• There was no grade cutting or capping applied to the geology. All the grade data is used as reported by the laboratories in the geology modelling.
		• The interpolated model variables have been mapped and validated with the drill hole data. The drill hole seam thicknesses were compared to the modelled seam thicknesses so that the drill holes were honoured. A statistical approach was used to validate the average seam thickness from the model with the average de-clustered drill hole seam thickness.
		• The following procedures were used to construct the 3D block model:
		  • The drill hole coal plies from one coal zone have been assigned into seam groups. The seam group's true thickness values were calculated. The calculated true thickness values and the coal footwall polylines were used to construct the top of the seam group and create closed seam polygons on each section;
		  • The seam polygons were linked together to form a three-dimensional wireframed solids;
		  • The constructed fault polylines on each section were linked together into

Criteria	JORC Code explanation	Commentary
		wireframed surface; • Oxidation depth on the property was assessed using the available FSI and LT% data from the drill holes. The interpretation of the oxidization boundary was completed on a drill hole by drill hole basis. Based on the interpretation, a wireframed surface was constructed at the bottom of the estimated oxidation zone, • All of the coal solids were then clipped against faults and topography surfaces; • The bottom of the oxidation zone surface was used to split the coal solids into two sets: oxidized coal solids and non-oxidized coal solids; • The clipped coal solids (oxidized and non-oxidized) were used to populate the model blocks with Seam Group codes, and to determine the volume percentage of the solids contained within a particular model block; • Where more than one solid intersected a model block, additional seam identifiers and volume percentage attributes were populated using a "top-down" stratigraphic priority order; • An inverse-distance-to the power of three based algorithm was used to interpolate the composited ash, volatile matter, fixed carbon, total sulfur and calorific values, mineable percentage and number of the coal-waste contacts into the model blocks for each seam; • To account for the variability of the percent non-separable parting within the mineable coal volumes from drill hole to drill hole, an adjustment to the interpolated coal quality parameters was completed. The coal to total thickness ratios were calculated for each coal intercept and have been incorporated into the model. In addition, coal thickness to total sample thickness has been calculated and interpolated in the model. In the areas of the model where the calculated ratio in the samples don't match the ratio for the drill hole data, then the adjustment to the coal ratios have been made.

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages are reported on an Air Dry Basis (adb). The moisture content (adb) is averaging 0.73 % determined from the results of Proximate Analysis laboratory testing, with a minimum value of 0.33% and maximum value of 3.08%.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resource estimate was made using a minimum seam thickness of 0.5 m. The estimate was used to define potential surface mineable coal in the individual seams and the results were planned for use in examining different mining options.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The targeted coal seams at Crown Mountain are suitable for open-cut operations using the truck/shovel mining method. It is expected that the mining conditions at Crown Mountain will be similar to those at the nearby mines which also use the truck/shovel method. • Truck/shovel methods have been used successfully in the region for over thirty years and are well-established for extraction of deposits similar to Crown Mountain. Economic and productivity factors at these regional operations are similar to those used to evaluate the Crown Mountain deposit.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• In January 2013, the coal quality aspects of Crown Mountain were reviewed by independent consultants Kobie Koornhof Associates Inc. using public data from historic exploration, regional quality studies and data from the adjacent coal mines. They concluded that in the absence of detailed quality data which would allow a definitive classification of these coals, and based on the information available, the coking coals from Crown Mountain are considered to be similar in quality or very close to, the premium Canadian coking coals. • Norwest Corporation made recommendations in February 2013 to undertake an LDC drilling program to obtain bulk samples for washability test work to determine plant yield as well as develop a definitive understanding of the coking properties of clean coal product. • It was recommended that two large bulk samples be collected to undergo pilot scale washing at Hazen Research in Colorado with the goal to carbonize a large, clean sample, washed in water, in the pilot scale coke oven. • Results from the LDC test work have been completed by various laboratories (CANMET, Birtley, SGS, CoalTech, and Pearson) and have been incorporated into the BFS. • Kobie Koornhof Associates reviewed and commented on the laboratory results in 2014 and in 2017. • The procedures identified above were followed for the 2018 samples as part of the BFS.

Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The Preliminary Economic Assessment ("PEA") study showed open-pit mining would commence from the North Pit and advance southwards to the Southern Extension over a 24 year mine life. Waste would be placed as either in-pit backfill as mining is completed or delivered to an external waste dump adjacent to the South and North pits. The PFS reduced the mine life to 16 years primarily due to eliminating the "inferred" resource category from consideration, thus removing the Southern Extension resource area. • The PEA and PFS showed the wash plant facility located on the west side of the North Pit. It is proposed to deposit plant refuse in the mine rock waste dumps. A conventional slurry tailings impoundment is not envisioned for the project. • The greatest potential impacts of surface mining are likely to be those that affect surface water. In February 2013, Teck submitted the Valley-Wide Selenium Management Action Plan for Teck Coal Limited Operations in the Elk Valley. This action plan addressed the selenium release by the five Teck surface mines. The BFS selenium mitigation plan will place layers of plant rejects (filtered to reduce water content) within the waste rock pile. The layering technique has been shown at the laboratory scale and through modeling, to have the potential to reduce the levels of selenium and nitrate in the surface water that seeps through the waste rock piles. For the BFS, it is assumed that for every 50 m high waste rock lift, a 1m layer of plant rejects will be placed. The 50 to 1 ratio is based on the preliminary testing and modeling results completed by SRK Consulting (SRK). Modeling, based on laboratory studies, demonstrates that a successful implementation of the WRD Layer Cake design at the Crown Mountain Project will result in predicated water quality that would be similar to other operations that have been permitted. • Environmental baseline studies are well advanced with the BC MOE required two years of monthly water sampling and quality test work achieved in April 2014. In 2016 sampling was reduced from monthly to quarterly. • Hydrological studies including the installation of 26 down-hole ground water monitoring stations were completed in conjunction with the LDC drilling program in September 2013. Additional ground water monitoring stations were established in 2018. • Rock samples for the purpose of geochemical analysis to evaluate the potential for metal leaching and acid rock drainage have been retained.

Criteria	JORC Code explanation	Commentary
		• A comprehensive approach to environmental controls is being developed in the Application for an Environmental Assessment Certificate, which is currently in progress.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Coal density used in the resource estimates was calculated based on the ash value estimated in each model block. The density is reported in air-dry basis. The calculations are based on linear equation developed using Scatter (ash, density) Plot: Density = 0.0105 * Ash + 1.2537.

Criteria	JORC Code explanation	Commentary

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*
		• The Resource Estimate has been prepared in accordance with the requirements of the Canadian National Instrument (NI) 43-101 and the CIM Definition Standards. NI 43-101 is the Canadian equivalent of the JORC Standard.
		• The mineral resources are classified as to the assurance of their existence into one of three JORC equivalent categories Measured, Indicated and Inferred. The category to which a resource is assigned depends on the level of confidence in the geological information available (CIM Definition Standards – GSC Paper 88-21).
		• The coal resources in this report are evaluated taking into account the structural complexity of seam geometry as well as the coal quality variability of the coal seams.
		• The level of assurance regarding structural complexity of seam geometry is assessed using the distances to the nearest coal intercept. The following search distances where used for the north block:
		  • Structure Class 1 – 0 to 75 m
		  • Structure Class 2 – 75 to 150 m
		  • Structure Class 3 – 150 to 300 m
		• The following search distances were used for the South Block:
		  • Structure Class 1 – 0 to 300 m
		  • Structure Class 2 – 300 to 600 m
		  • Structure Class 3 – 600 to 1200 m
		• The following search distances to the nearest valid raw ash sample are used to classify the resources in the North and the South blocks from a coal quality variability standpoint:
		  • Coal Quality Class 1 – 0 to 450 m
		  • Coal Quality Class 2 – 450 to 900 m
		  • Coal Quality Class 3 – 900 to 2400 m
		• The coal resources are classified using the lower confidence level of the two, structural and coal quality classes.
		• The Competent Person, Ivan Minev, P.Geol., prepared the estimates, which reflect his view of the deposit.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• An internal Company review of the Resource and the associated Technical Reports was undertaken prior to public release of this information. The model presented reflects review comments.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Categories were considered acceptable by the Competent Person during the classification of the resources. • The accuracy of resource estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation, as well as the judgment by the Competent Person. • Based on the available geological data, the resource estimate is considered reasonable.

Section 4 Estimation and Reporting of Ore Reserves

Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserves.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Coal Resource Estimate effective date is July 8, 2020. • The Coal Reserves are inclusive of the Coal Resources stated July 8, 2020.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• In June 2019, Gordon Chen, P.Eng. and John Trygstad, representatives of Stantec visited the site to verify the site conditions for the clean coal haul road, open pit mining area, waste rock pile area, rail-load out area, and the plant site location.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• A pre-feasibility study was completed in 2014 and updated in 2017 to allow for classification of mineral reserves. • A bankable feasibility study level resource and reserve estimate were completed (July 2020), which updated the mineral resources and the mineral reserves.
Cut-off parameters	• *The basis of the cut-off grade or quality parameters applied.*	• The ash/yield relationship developed for each seam determines the economic cut-off for a given mining unit.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (ie: either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (ie: pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources and utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The method of mining used in the bankable feasibility study is open cut mining, using a fleet of excavators/shovels, loaders, dozers, and trucks consistent with similar operations in the general vicinity of western Canada. • The coal tonnage from the pit is reported in run-of-mine (ROM) basis which assumed an as-received moisture content of 4%. • Pit slopes and berm width/spacing were determined after review of available geotechnical information. A permit level (detailed) pit wall design report has been completed. Additional geotechnical data will be collected to support future detailed mine planning. • Pit optimization was based on a strip ratio of 18.5:1 ROM tonne break even stripping ratio analysis using hard coking coal benchmark price of USD$165. A coal sales price of USD$165 per tonne was applied for the metallurgical coal. The prices are converted to Canadian dollars at a USD/CAD exchange rate of USD1.00/CAD0.75. • Different coal loss and dilution assumption is used for different mining areas and coal seams due to change in dip of the bedding and the types of the coal to waste contacts. The weighted average of the external seam dilution is 0.22m per seam, and 0.31m per seam for coal loss. • Mining recovery is the result of applying the dilution factors above and varies by seam thickness. • The minimum mineable seam thickness is 0.5m. • Inferred Mineral Resources are excluded from consideration in the Bankable Feasibility. • Infrastructure required includes: coal processing and handling facilities, mine shop/warehouse/office/dry complex, electrical power distribution, natural gas pipeline, access road, rail loop and train load out, water management structures and water supply. These items have been included in the capital cost estimate.

Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested or novel in nature.* • *The nature, amount, and representativeness of metallurgical test work undertaken, the nature of metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• Coal processing will be by heavy media washing and froth floatation. The process flow was developed by Stantec, using Limn modelling, and independently modelled by Sedgman who reviewed the process design and undertook plant design and costing for the coal handling and processing plant for the BFS. • Only commercially proven, coal washing processes have been incorporated into the plan. Steam assisted hyperbaric disc filtration has been selected for dewatering flotation product, instead of thermal drying, typically used in the Elk Valley. This technology is relatively new to the coal industry, but is under consideration for other Elk Valley mines. • A product moisture of 9% is assumed. A product Total Moisture of <7% is predicted ex the CPP from LIMN modelling by Stantec. This level is below the assumed customer specification of 9%, typical for Elk Valley coals, and will allow for some moisture gains in the transportation logistics chain. • Coal washability testing was performed in 2013/2014 on bulk samples collected in Q3 2013 via large diameter coring. Additional drilling was done in 2018 from which seam composites were prepared and combined in proportion to their occurrence in the deposit for and were used in the 2019 Pilot testing performed by Hazen Research, Inc. It is believed this work, provided representative samples from the project area for pilot washability and flotation testing, and carbonization studies by CanMet. Recovery (plant yield)is 61.5% for North Pit, 49.9% for East Pit and 43.8% for South Pit. This is based on a 9.5% ash for metallurgical coal and 10% Ash for PCI. • Deleterious material (out of seam reject) was assumed to comprise 0.22 meters per coal seam. In addition, 0.31 meters of coal is assumed lost per seam. This is a normal occurrence during the mining process based on regional practice. • A rotary breaker is assumed to remove approximately 6-7 percent of the rock in the ROM material. • The 2013 bulk samples, 2018 core drilling and sampling are considered to be representative of the coal deposits in the North and South Blocks, which form the study area for the BFS. • The coal reserve estimation has been based on producing a product that meets specifications summarized in the “Quality and Price Assessment for Crown Mountain Products” report prepared by Kobie Koornhof Associates Inc (2019).

Criteria	JORC Code explanation	Commentary
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• Significant work on environmental baseline and effects assessments have been performed and/or remains in progress to support the Environmental Assessment (EA) submission. The Company submitted an EA Project Description in Q4 2014 and has an approved (April 2018) Application Information Requirements (AIR) portion of the pre-application phase of the EA process. The AIR is valid for three years after approval. There is a process to extend the AIR should it be required. It is anticipated that NWP Coal will submit the EA in Q1 of 2021. • Waste rock characterisation was completed by SRK laboratories on selected rock core collected during the 2013 and 2018 drilling campaigns. That study concluded the waste at Crown Mountain is similar to mine rock found at other local mines. No additional evaluation work is required in this area. • Jameson has developed a selenium mitigation strategy which focuses on an in-situ mitigation method. This is a novel approach to selenium mitigation and is currently the basis for the EA application and has been incorporated into the mine plan. • No approvals have been sought or granted for waste disposal methods to-date: this will be part of the EA and Mine Permit application processes. • The EA will assess transboundary and cumulative effects. The assessments will include water quality, air quality, terrestrial and aquatic life.

Criteria	JORC Code explanation	Commentary
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.*	• Power and natural gas infrastructure is located within 14 km from the project area and will be extended to site. • Rail is within 11 km of the mine site: the BFS provides for construction of a 2.7km long overland conveyor, truck load out bin and 15km haul road, product stockpile area and rail loadout conveyor and a figure 8 rail loop alongside of the existing mainline rail for train loadout. • Extensive design work and consultations with various groups have been completed on the proposed rail loop design to avoid some of the land usage issues, including minimizing the impact to a site of cultural and archaeological significance, and to avoid sensitive wildlife habitat. • The water supply is approximately 3 km from site. A storage pond will be constructed, and water will be pumped along an overland conveyor route to the plant and mine site. • Land is available within the tenured area to construct a coal processing plant and associated facilities. The loadout system is proposed to be constructed on land controlled by others: Jameson has met with that party and discussions are active, however a siting agreement must still be negotiated and executed.

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation or, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specifications, etc.* • *The allowances made for royalties payable, both Government and private.*	• Capital costs for the project were based on actual quotations from vendors and existing comparable data maintained and updated by Stantec in 2019 with input from Sedgman for the CHPP. • Unit operating costs for major equipment were based on quotations from vendors and equipment hours calculated by Stantec. Sedgman provided processing cost estimates which are based on quotations from equipment vendors and operating hours and designs developed by Sedgman. • Deleterious elements removed in mining are costed the same as ROM material. Some of that material is rejected at the de-rocking station, while the remaining material is processed through the plant: in either case, the appropriate costs are applied. • An exchange rate of CAD/USD of US$0.75 has been used. This rate was based on 2019 average of the CAD to USD exchange rate published by Bank of Canada. • Transportation charges were estimated through contact with the applicable rail and port facilities, as well as comparing to publicly available information from competing mines in the same area. • No allowance has been made for penalties associated with failure to meet product specifications, which are not already accounted for in the marketing report. • Federal and Provincial Income, Carbon Tax on fuel and BC mineral coal royalties have been accounted for. There are no private royalties payable.

Criteria	JORC Code explanation	Commentary
Revenue Factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity prices, exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity prices, for the principal metals, minerals, and co-products.*	• Coal revenue estimates are based on sales prices provided by Kobie Koornhof Associates, a recognized expert in price forecasting for coal. • Revenue estimates assumed a LOM exchange rate, CAD/USD, of 0.75 and a LOM Low Volatile Matter, Premium Hard Coking Coal Price of US$164/t. • Revenue is based on a LOM split 85% Hard Coking Coal ('HCC') and 15% Pulverised Coal Injection ('PCI') • The North and East Block HCC is assumed to achieve full benchmark pricing while the South Block has been discounted by 10% due to lower Coal Strength after Reaction ('CSR') and higher phosphorous. • The PCI in the North, East and South Blocks has been determined at 97.5% of the Low Volatile Matter PCI ('LVPCI'), prior to any penalty for phosphorous. • The South Block is penalised for higher phosphorous compared with the LVPCI specification and has therefore been discounted accordingly. • The LVPCI price is based on the 10 year historical relationship between the LVPCI price relative to the Low Volatile Matter, Premium Hard Coking Coal Price. • The assumed prices for North and East Block PCI is US$115/t while the South Block is assumed to receive US$112/t.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• The market assessment was performed by Kobie Koornhof Associates and publicly available data from numerous sources. • The likely market for project output is the worldwide export market for two metallurgical coal products: hard coking coal and PCI coal. • The price and volume forecasts were prepared by Kobie Koornhof Associates in Q4 2019. • Testing and acceptance criteria vary by customer. As the project is located in an area that has historically produced high quality hard coking coal for the export market, there is an established knowledge base for the predicted product. However, additional testing will be required as customer agreements are being negotiated. This would not occur until after the Bankable Feasibility Study is completed.

Criteria	JORC Code explanation	Commentary
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The inputs to the economic analysis are the operating costs, capital cost estimates, transportation costs, tax and royalty rates, and sales revenue. These inputs are sourced from the BFS • There is no provision in the BFS for inflation or escalation: all economic data was prepared in 2019 dollars. • A discount rate of 10 percent was used for the NPV evaluation. • Sensitivities were evaluated to sales price, US/CAD exchange rate, operating cost, capital.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• NWP Coal has developed a relationship with affected First Nations. There is currently no Impact Benefit Agreement in place with the First Nations. • Other key stakeholders include local communities, land owners, recreation groups, and special-interest organizations. Several discussions, both formal and informal, have occurred.

Criteria	JORC Code explanation	Commentary
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• Naturally occurring risks include environmental factors such as potential metal leaching issues, ground water, and wildlife concerns. These issues will be addressed during execution of the EA process. • There are no material legal or marketing agreements. • It is anticipated all required approvals can be obtained to construct and operate a mine within the 36 month timeframe specified in the BFS. There are four other operating coal mines in the area, and Crown Mountain does not possess any unique challenges to the area. • Several governmental permits are required before mine construction can begin. These have not yet been applied for; however, the Company has entered the pre-application phase of the EA process, having an approved Valued Components Document ("VCD") and Application Information Requirements ("AIR"). The next significant permitting activity is the formal Environmental Assessment process, which is estimated to take approximately 17 months to receive approval from the time of submission. • During that timeframe several other specialized permitting activities will occur. While the Company does not foresee material issues that would preclude the required permits from being issued, there is no guarantee the government will issue the permits. • Extraction of the reserve is contingent on governmental approvals. It is also contingent on successfully constructing a rail loadout facility on privately owned land (Teck) or an alternate location.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of probable Ore Reserves that have been derived from the Measured Mineral Resources (if any).*	• The basis for reserve classification is the NI43-101 and JORC 2012 reporting requirements. • The Competent Person (Sean Ennis, P. Eng. – Stantec) is in full agreement with the results and has so indicated by written consent. • The proportion of probable ore reserves derived from the measured resource base is approximately 3% consisting of portions of the Seam 8 coal plies.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The coal reserve estimates prepared by Stantec were subjected to internal peer review. Stantec is a non-related third party, and the Company has not undertaken any formal audit of the Stantec's work.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and* • *confidence of the estimate should be compared with production data, where available.*	• The reserve categories were considered acceptable by the Competent Person during the classification of the reserves. • The accuracy of reserve estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment by the Competent Person. • Based on the historical, 2012, 2013 and 2018 drill hole data and coal quality data derived from these programs, the geological interpretation of that data, and the mining and economic inputs as described in the BFS, the reserve estimate is considered reasonable. • There is no guarantee that all or any part of the estimated reserve will be recoverable.

Section 5 Estimation of Diamonds and Gems

This section is not addressed as no diamonds or other gemstones are reported for this Property.