

Colonial Coal File 43-101 on their Flatbed discovery, coal quality is confirmed as coking coal

[Colonial Coal International Corp. {TSX.V: CAD}](#) filed on SEDAR a technical report, in accordance with National Instrument 43-101, detailing the initial exploration within the Gordon Creek area of its 100-per-cent-owned Flatbed coal project.

The coal quality assessment is confirmed as metallurgical (coking) coal.



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Mr. David Austin reports

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

On Jan. 10, 2018, **Colonial Coal International Corp.** filed on SEDAR a technical report, in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Properties requirements, detailing the initial exploration within the Gordon Creek area of its 100-per-cent-owned Flatbed coal project located in Northeast British Columbia.

The technical report confirms the coal resources previously announced by the company on Nov. 27, 2017, for its 2017 exploration program conducted at Flatbed ***and updates the coal-quality assessment, confirming the resources as coking-coal-quality coals.***

The technical report is authored by Derek Loveday, PGeo, of Norwest Corp., who is the independent qualified person for the technical report. As previously announced, geological modelling and resource estimation, carried out by Norwest on the Gordon Creek 2017 exploration program results, have identified an inferred underground mineable coal resource of 298 million tonnes. Norwest's review of the coal-quality results from drill core samples indicates these coal resources have good coking properties after beneficiation. The coal resources estimated by Norwest are in accordance with the requirements of NI 43-101. The inferred coal resource estimates were determined using a minimum seam thickness of one metre, limited to a maximum depth below surface of 900 metres. Eight coal seams are present with true thicknesses from the exploration data ranging from 1.2 m to 5.3 m, combining for an average total true thickness of 20.9 m. The average seam dip is 11 degrees toward the southwest. The resources estimated for each coal seam and the initial coal-quality data derived from raw coal samples, together with the results from float-sink analyses, can be seen in the company's news release of Nov. 27.

On a dry, mineral-matter-free (dmmf) basis, volatile contents indicate that the coal seams range in rank from low-volatile bituminous to medium-volatile bituminous, according to the ASTM coal-rank classification system. Analytical results indicate that the Gates coal seams within the Gordon Creek area are metallurgical coals that would yield a coking-coal product after beneficiation in a wash plant. Float-sink analysis indicates that coal beneficiation could produce a theoretical product ranging from an 8-per-cent to 9-per-cent ash air-dried basis (adb) with yields ranging from 58.3 per cent to 83.2 per cent after adjustment for core loss in the test samples.

Recent tests performed on clean-coal composites derived from the flotation and froth testing are presented in the associated table.

GORDON CREEK CLEAN COAL								
COMPOSITE QUALITY								
(adb)								
Clean coal Clean coal								
Mean	Gieseler		Base			composite analysis		
	Cut-point		acid					
maximum	fluidity							
Seam	S.G.	Froth	Moist	Ash	VM	S	FSI	P
reflectance		max DDPM	Dilation		ratio			
(%)		(sec)	(%)	(%)	(%)	(%)	(%)	(%)
(%)	(RoMax)		(% SD 2.5)					
B*	1.5	30-60	0.51	8.85	25.04	0.92	8.5	0.081
1.19	1,140		117	0.22				

	-1.55							
D	1.45	NSS	0.53	8.37	25.08	0.82	6.0	0.050
1.17	1,120		78	0.10				
E	1.5	NSS	0.56	8.16	22.58	1.32	8.0	0.041
1.29	286		64	0.11				
F1	1.5	60	0.50	8.58	21.92	0.58	8.0	0.058
1.32	35		28	0.13				
F2	1.6	60	0.43	8.27	21.27	0.39	7.0	0.046
1.32	4.4		-13	0.22				
G	1.5	60	0.46	7.93	20.64	0.53	8.0	0.089
1.39	26		17	0.08				
J	1.55	60	0.44	8.45	18.40	0.37	3.5	0.020
1.43	1.0		-	0.10				
K	1.5	60	0.52	6.01	18.14	0.41	3.5	0.002
1.43	1.7		-	0.10				

* Weighted average of FD17-01 and FD17-03A; FSI rounded to the nearest half-unit.

NSS means not sufficient sample.

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

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

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

The scientific and technical disclosure in this news release has been approved by Mr. Loveday, PGeo, of Norwest, a professional geologist and qualified person as defined in NI 43-101.

About Colonial Coal International Corp.

Colonial Coal is a publicly traded coal corporation in British Columbia that focuses primarily on coking coal projects. The northeast coal block of British Columbia, within which the

corporation's projects are located, hosts a number of proven deposits and has been the subject of merger and acquisition activities by Xstrata, Anglo-American and others.

We seek Safe Harbor.