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Colonial releases NI 43-101 Flatbed resource estimate

2017-11-27 09:19 ET – News Release

Mr. David Austin reports

COLONIAL COAL ANNOUNCES INITIAL FLATBED RESOURCE ESTIMATE

Colonial Coal International Corp. has recently completed its previously announced first phase of its coal exploration program on its 100-per-cent-owned Flatbed coal project located in northeast British Columbia (see news release dated Oct. 30, 2017).

Geologic modelling and resource estimation of the Flatbed exploration results, carried out by Norwest Corporation ("Norwest"), have identified an Inferred underground mineable coal resource of 298 million tonnes (Mt). Norwest's review of the coal quality results from drill core samples indicates these coal resources have coking properties after beneficiation.

The coal resources estimated by Norwest are in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Properties ("NI 43-101") and have been conducted in conjunction with the preparation of a NI 43-101 technical report which will be completed and filed on SEDAR within 45 days.

The Inferred coal resource estimates have been determined using a minimum seam thickness of one metre, limited to a maximum depth below surface of 900 metres. Eight coal seams are present with true thicknesses from the exploration data ranging from 1.2 metres to 5.3 metres that combine for an average total true thickness of 20.9 metres. Average seam dip is 11 degrees towards the southwest. The resource estimates are shown below for each coal seam from stratigraphic top to bottom.

David Austin, President and CEO of Colonial, commented on the Company's recent exploration results as follows: *"We are very pleased with and proud of our recent exploration results at Flatbed and we congratulate our team on their success to date. We look forward to continued exploration and further updates on plans for advancing the Flatbed property."*

Flatbed Coal Resource Estimates

Seam ID	Formation	Classification	Resource (Mt)
B	Gates	Inferred	52.2
D	Gates	Inferred	36.6
E	Gates	Inferred	19.1
F1	Gates	Inferred	21.0

F2		Gates	Inferred
	49.2		
G		Gates	Inferred
	34.8		
J		Gates	Inferred
	54.2		
K		Gates	Inferred
	30.9		
		Total	Inferred
	298.0		

The estimated raw coal qualities for each coal seam, presented on an air-dried basis (adb), are as follows:

Flatbed Raw Coal Quality

Seam ID	Recovery %	Moisture % (adb)	Ash % (adb)	Volatiles % (adb)	Fixed Carbon % (adb)	Sulfur % (adb)	Volatiles % dmmf	Coal Rank
B	83	0.71	32.57	20.08	46.63	0.90	26.90	mvb
D	68	0.57	19.74	22.47	57.22	0.98	26.43	mvb
E	83	0.58	14.98	21.78	62.66	1.44	24.26	mvb

F1	100	0.31	22.83	19.85
57.01	0.45	23.86	mvb	
F2	100	0.55	15.85	20.40
63.20	0.35	23.12	mvb	
G	78	0.62	33.48	16.22
49.68	0.47	21.21	lvb	
J	99	0.64	17.99	17.40
63.97	0.32	19.85	lvb	
K	53	0.77	24.35	15.70
59.18	0.35	18.71	lvb	

The raw coal quality results have been adjusted for core loss. The amounts of core loss within the coal seams are considered acceptable for the estimation of coal quality results as presented. Volatile contents on a dry, mineral matter free (dmmf) basis, range from 18.71% to 26.90%, indicating that the coal seams range in rank from low volatile bituminous (lvb) to medium volatile bituminous (mvb).

Washability tests, conducted at Birtley Coal and Minerals Testing (Calgary, Alberta), mostly targeted clean coal in the 8% to 9% ash (adb) range. The estimated washed coal qualities and laboratory determined theoretical yields (adjusted for core loss), are tabulated below using results from the 9.5mm x 0.25mm size fractions, which typically comprise 97% – 98% of the crushed Flatbed coal samples.

Flatbed Washed Coking Coal Quality (9.5mm x 0.25mm fraction)

Seam ID	Cut Point S.G.	Moisture % (adb)	Ash % (adb)	Volatiles % (adb)	Fixed Carbon % (adb)	Theoretical FSI* Yield %
B	1.55	0.56	9.29	24.74	65.41	7 58.3
D	1.45	0.43	8.86	24.83	65.88	5.5 59.5
E	1.50	0.70	8.33	22.28	68.69	8 80.7
F1	1.50	0.42	8.73	21.56	69.29	8 62.2
F2	1.60	0.82	8.05	20.98	70.15	7 83.2
G	1.55	0.53	8.64	20.57	70.26	7 54.2
J	1.55	0.47	8.66	18.17	72.70	4 79.2
K	1.50	0.48	5.61	18.40	75.51	4 65.8

* FSI values are rounded to the nearest half-unit.

This news release has been reviewed by Derek Loveday, of Norwest, a Professional Geologist and Qualified Person as defined in NI 43-101.

About Colonial Coal International Corp.

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

We seek Safe Harbor.