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6 October 2025

Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Tenas Project
2025 Updated Feasibility Study and Confirmation of Project Reserves

Bathurst Resources Limited (ASX:BRL) (Bathurst) is pleased to announce the results of the updated Feasibility Study and confirmation of Project Reserves for the Bathurst owned Tenas Project in Telkwa, British Columbia, Canada.

HIGHLIGHTS

- Telkwa Mining Limited ("Telkwa Mining" or "the Company") which is a wholly owned subsidiary of Bathurst Resources is pleased to provide shareholders with an update on the Feasibility of the Tenas Steelmaking Coal Project ("Project") following a review of key economic inputs from the May 2019 Definitive Feasibility Study ("DFS").
- An update of economic inputs to the DFS was undertaken by leading independent technical advisers, SRK and Sedgman, to assess the impact of capital and operating cost inflation and changed coal price and foreign exchange forecasts on the Project's Reserves and high-level Project Economics.
- The Competent Person for the Reserves has issued a letter of assurance confirming that the Proven and Probable Reserves defined in the DFS remain valid based on the review of the updated information.
- The DFS confirmed that the Project represents a compelling steelmaking coal development opportunity with a competitive operating and capital cost structure.
- Since that time, there have been inflationary increases in both capital and operating costs in Canada as well as in competitor producer locations. The 2025 Updated Feasibility Study ("Updated Feasibility") identified the capital and operating cost increases based on repricing of key capital equipment items and the adoption of published increases to labour, fuel, construction, and infrastructure costs. Additional capital was also included

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to address potential environmental commitments related to caribou, water management, and socio-economic initiatives. The review also considered the impact of revised coal price forecasts and exchange rates.

- The outcomes from the review using the updated economic inputs resulted in an estimated increase to the Project's pre-production capital from United States Dollar US$ 93 million (M) in the DFS to US$ 139M in the Updated Feasibility and an increase in cash operating costs (Freight on Board [FOB] Prince Rupert) from US$ 52.58/t saleable coal in the DFS to US$ 80.48/t saleable coal in the Updated Feasibility.
- The outcome of the increases to capital and operating costs and coal price forecasts resulted in an increase in post-tax Net Present Value at a discount rate of 8% (NPV(8)) from US$ 185M in the DFS to US$ 269M in the Updated Feasibility.
- The Updated Feasibility should be read together with the 18 March 2019 DFS ASX statement as well as the cautionary statements below.
- Telkwa Mining Chairman, Russell Middleton said:

> *"The Updated Feasibility has reconfirmed the Project's high-level economics. With the continued progress of the Environmental Assessment process, this update highlights the advanced status of the Project.*

BACKGROUND

The Project is a potential low-cost, open cut steelmaking coal mine located in the Bulkley Valley in Northwest British Columbia. The Project is 100% owned by Bathurst's Canadian subsidiary, Telkwa Mining, which is a 100% wholly-owned subsidiary of Bathurst Resources Limited (ASX:BRL).

DEFINITIVE FEASIBILITY STUDY

A DFS completed in May 2019 confirmed that the Project represents a compelling coking coal development opportunity with a competitive operating and capital cost structure and access to existing common user rail and port infrastructure.

UPDATED FEASIBILITY FOR RESERVES ASSURANCE

Since completion of the DFS, Telkwa Mining has been actively progressing the BC Environmental Assessment Certificate Approval ("EA") process for the Project and is developing close partnerships with key Indigenous Nations to support the Project's development. Given the substantive progress of the regulatory process following public and technical review of the EA in 2024, Telkwa Mining commissioned SRK and Sedgman to undertake an independent review of the DFS economic inputs to provide an assurance of the Project's Reserves Statement and to

provide an Updated Feasibility. Table 2 in Appendix A summarises the Reserves for the Tenas property.

Key inputs that were reviewed and updated from the DFS included:

- capital costs for major mining equipment
- capital costs for processing and coal handling facilities
- labour rates for hourly and salary positions
- fuel and consumables costs
- forecast real dollar prices for benchmark Prime Low Volatile Hard Coking Coal (PLV HCC) based on consensus of available data and adjusted down for semi soft coking coal (SSCC)
- rail and port costs for coal transport and handling
- costs for site development and construction
- Canada – US currency exchange rate

In addition to the above, the following Project components that were not originally included in the DFS were added:

- capital costs for caribou and socio-economic commitments; and
- capital costs for water management measures.

DISCUSSION OF UPDATE OF ECONOMIC INPUTS

Updates were made to the Project cash flow model used for the DFS to determine an updated NPV at a discount rate of 8% (NPV(8)) and Internal Rate of Return (IRR) for the Project. A summary of the key updates is provided below:

- **Coal Price Forecast:** The updated coal price forecast was developed based on an assessment of publicly available forecasts which included market forecasts released by KPMG and McCloskey and Wood Mackenzie. As a result, a benchmark Prime Low Volatile Hard Coking Coal (PLV HCC) price of US$ 228/t to US$ 298/t over the life of the Project has been adopted. The required SSCC price path has been generated at an average of 60% of PLV HCC over the life of the Project. Adjustments were applied to these benchmarks to reflect discount factors applied in the DFS and Updated Feasibility. The resulting average price over the life of the Project for SSCC are summarised in Table 3 of Appendix A to this press release.
- **Exchange Rate:** The long-range currency rate is forecast to be Canadian Dollar (CA$) 1.00 = US$ 0.70 based on published forecasts.
- **Capital Costs:** Capital costs were escalated based on a range of inputs. Sedgman provided updates for the process and materials handling infrastructure but qualified their

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estimates with a higher contingency factor than the DFS. Mining and major mobile equipment costs were based on recent quotes for selected major equipment units and the application of an escalation factor for the remainder of the fleet. Earthworks and development costs were escalated based on recent regional projects as well as escalation factors for Canadian heavy industrial indexes. These estimates resulted in an increase in pre-production capital (without contingency) from US$ 93M in the DFS to US$ 139M in the Updated Feasibility. A detailed breakdown of capital cost increases is included in Tables 4 and 5 of Appendix A to this press release.

- **Operating Costs:** The operating costs for the Project were updated based on inputs for local labour rates for hourly and salary personnel, fuel costs, electrical power and process and material handling costs. The updated Free On Board operating costs for the Updated Feasibility averaged US$ 80.48/t of saleable coal over the life of the mine, an increase from the estimate of US$ 52.58/t pf saleable coal in the DFS. A detailed breakdown of operating costs is included in Table 6 of Appendix A to this press release.

The review did not adopt changes to any of the other plans, design parameters, technical assumptions or modifying factors from the DFS, including Mining, Processing, Infrastructure, Transport, General, Saleable Coal Quality and Saleable Coal Mix, Environmental Issues, First Nations, Governmental and Third-Party Issues. It is considered that these factors remain current and continue to apply. Shareholders can refer to the DFS for further information in relation to those Project details.

COMPARISON OF INDICATIVE FINANCIAL RESULTS

Cost and price inputs were updated for the Project as discussed above to provide confirmation that economics for the Project remain positive and support the statement of Reserves for the Project. Not all inputs have been updated to a definitive feasibility level of accuracy, but contingency factors have been adjusted in the cash flow model to reflect this. As a result, the NPV financial metric is an indicative measure of the Project's updated economic performance and not intended to be a full reforecast of the Project's financials at a DFS level.

The post-tax NPV(8) increased from US$ 185M in the 2019 DFS to US$ 269M in the Updated Feasibility.

2025 ASSURANCE OF RESERVES STATEMENT

The reserves defined in the original 2019 DFS document relied upon mining criteria, including break even strip ratio pits, which have not been changed for this cost update. The current update of cost and price inputs supports the classification of reserves based on the Project still showing positive economics. The Run-of-Mine (ROM) surface mineable coal Reserves defined in the 2019 DFS remain valid based on the Competent Person's review of the update information. See

Appendix B for Competent Persons Statement. Table 2 in Appendix A summarises the reserves for the Tenas property and Competent Persons have filled out JORC Table 1, which is provided in Appendix C, and consent letters from the Competent Persons, Ron Parent, P.Geo., and Robert McCarthy, P.Eng. are provided in Appendix D and E, respectively.

The Updated Feasibility outcomes compared with those of the DFS are summarised in Table 1 below. The table summarises the key differences in capital and operating cost assumptions and coal price forecasts adopted in the DFS and the Updated Feasibility.

Table 1: Key Project Parameters: DFS and Updated Feasibility

Outcome	Unit	DFS	Updated Feasibility
Total ROM Coal Mined	Million (M) tonnes (t) ROM	22.0	22.0
Mine Life	years	22	22
Average ROM Strip Ratio	Bank cubic meter (BCM) : ROM t	3.6	3.6
Life of Project (LOP) Processing Yield	%	75.1%	75.1%
LOP Average Annual Exports	Million tonnes per annum (Mtpa)	0.80	0.80
Total Saleable Coal Production	Mt	16.55	16.55
Saleable Coal Strip Ratio	BCM : saleable coal tonne	4.8	4.8
Pre-production Capex	US$M	93	139
Benchmark Price	US$/t	$185-$210 (PLV HCC)	$228-$298 (PLV HCC)
Average Price Received	US$/t	$114	$175
Operating Cost (FOB Prince Rupert)	US$/t saleable coal	$52.58	$80.48
NPV(8) (Pre-tax)	US$M	$289 M	$446 M
NPV(8) (Post-tax)	US$M	$185 M	$269 M
IRR (Pre-tax)	%	56.9%	34.6%
IRR (Post-tax)	%	47.0%	27.5%
Profit Before Tax	US$M	$1,031 M	$1,342 M
Profit After Tax	US$M	$663 M	$860 M

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SUMMARY

The revised capital and operating costs and coal price assumptions have enabled an update to the economic outcomes of the DFS. The results confirm that the increased coal price forecasts arising from concern about reduced supply of steelmaking coal outweigh any capital and operating cost increases that have occurred since the DFS was completed in May 2019. The continued progress of the regulatory process highlights the substantial development opportunity for the Project given the limited progress of other greenfield development projects in Canada, Australia, or other producer locations.

Telkwa Mining will undertake additional studies to further optimise the DFS in parallel with continuing to progress regulatory approvals for the Project.

This announcement is authorised for release to the market by the Board of Telkwa Mining. For further information, please contact:

Russell Middleton
Chairman
Email: Russell.Middleton@bathurst.co.nz
Phone: +61 418 497 678

ABOUT TELKWA MINING LIMITED

Telkwa Mining is a junior resources company focused on the acquisition, exploration, and development of strategic coal projects in western Canada. The Company holds a 100% interest in the Project located in British Columbia.

To learn more, please contact Telkwa Mining at +1 604 220 5703, or visit: www.telkwa-mining.ca.

ABOUT BATHURST RESOURCES LIMITED

In December 2023, Telkwa Mining, a subsidiary of Bathurst Resources Limited (ASX:BRL), acquired a 100% interest in the Project.

Bathurst is the largest coal company operating in New Zealand with over 2.2 million tonnes (t) per annum of coal under management. More than 90% of the coal sold is used for steelmaking, both domestically and for export to Asian coke makers and steel mills. The remainder is sold to domestic users in the agricultural and energy sectors. Bathurst is focussed on low cost, sustainable mining with a strong focus on the local communities and environmental management.

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FORWARD LOOKING STATEMENTS

This announcement contains "forward-looking statements". 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, increased production costs and variances in Resource or Reserves conversion rates from those assumed in the company's plans, as well as political and operational risks in the countries 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 filings. 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.

CLOSURE

Please feel free to contact the undersigned for any information related to this press release.

Sincerely yours,

Russell Middleton
Chairman
Telkwa Mining Limited

Enclosures:

APPENDIX A:	Summary of May 2019 Definitive Feasibility Study and 2025 Updated Feasibility Study
APPENDIX B:	Competent Persons Statement – September 30, 2025
APPENDIX C:	JORC TABLE 1
APPENDIX D:	Consent Letter, Mr. Ron Parent, P.Geo., Faultblock Consulting
APPENDIX E:	Consent Letter, Mr. Robert McCarthy, P.Eng., SRK (Canada)

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APPENDIX A: SUMMARY OF 2019 DEFINITIVE FEASIBILITY STUDY AND 2025 UPDATED FEASIBILITY STUDY

1. PROJECT LOCATION

The Tenas Steelmaking Coal Project (Project) is in the northwest of British Columbia, Canada, and enjoys an exceptional location relative to rail and port. Simple logistics are a key factor contributing to the Project being a low-cost producer. See Figure 1 below.

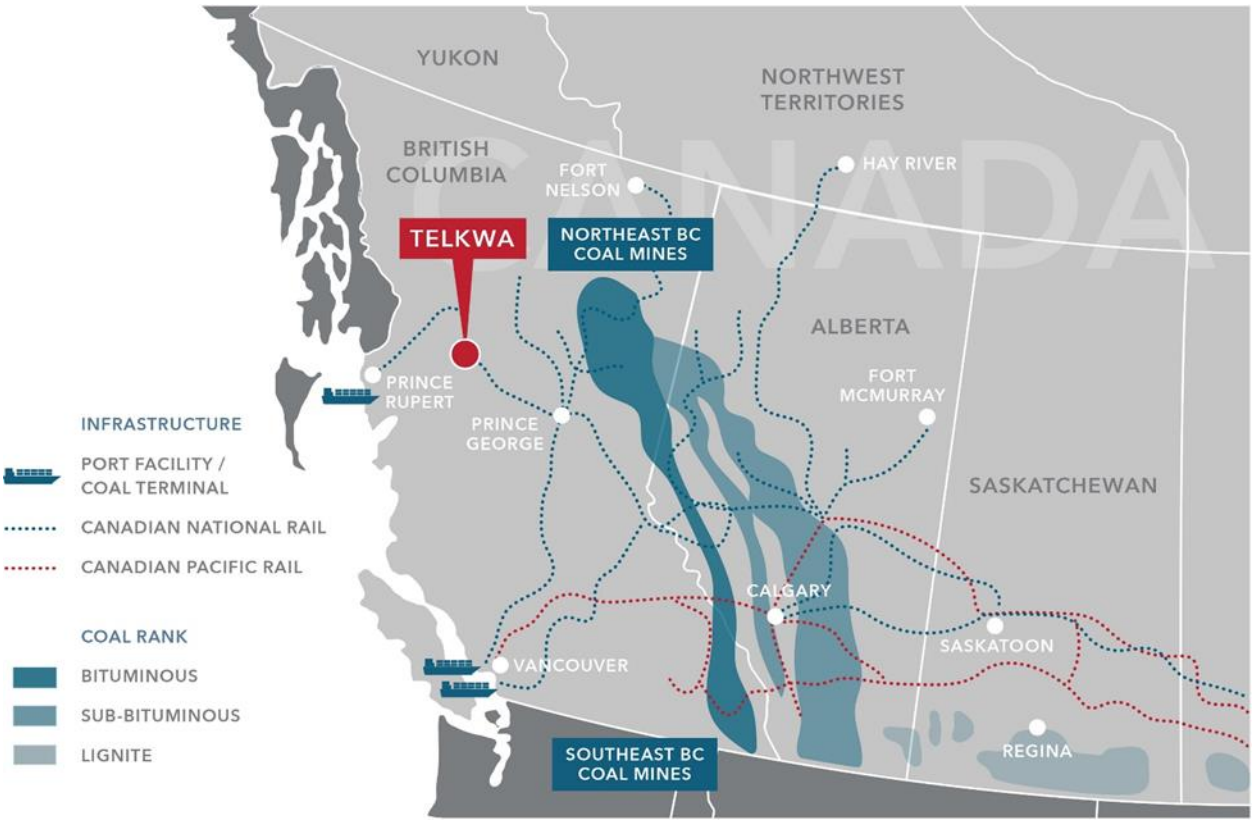


Figure 1: Project Location

Added to this, is a shorter shipping distance to target markets (the Japanese and South Korean steel mills) than from its main competitor of semi-soft coking coals in Hunter Valley via the port of Newcastle in Australia. It is 3,500 nautical miles from Trigon Terminal in Prince Rupert to Tokyo, Japan whereas it is over 4,300 nautical miles from Newcastle (see Figure 2).

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Figure 2: Shipping Distances

Equally importantly, there is no congestion at Trigon Terminal with no delays in ship berthing; unlike Newcastle (and Queensland) where ships often wait up to four weeks before they can berth. Mine owners incur expensive demurrage, and steel mills suffer a delay in the supply of raw materials for their coke ovens and blast furnaces, which disrupts steel production.

2. RESOURCES

The Tenas Deposit/Project Resources estimate used for preparation of the May 2019 Definitive Feasibility Study ("DFS") and the 2025 Updated Feasibility Study ("Updated Feasibility") is summarised in Table 1 below. The resources for Telkwa North, Goathorn and Tenas are unchanged from the DFS. The estimates have been prepared in accordance with the requirements of the Canadian National Instrument (NI) 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards. NI 43-101 is the Canadian equivalent of the 2012 Joint Ore Reserves Committee (JORC) Standard (see Appendix C).

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Table 1: Tenas Deposit Resources

Tenas Resources	Measured Million (M) tonnes (t)	Indicated Mt	Inferred Mt	Total Mt (Air dried Basis (adb))
c Seam	4.5	1.4	-	5.9
1 lower seam	8.1	2.7	-	10.9
1 upper seam	4.5	1.6	-	6.2
1 Seam	9.9	3.5	-	13.5
Total	**27.1**	**9.4**	**-**	**36.5**

The coal resources including the drill hole locations for the Tenas Deposit, as listed in Table 1 above, are illustrated in Figure 3.

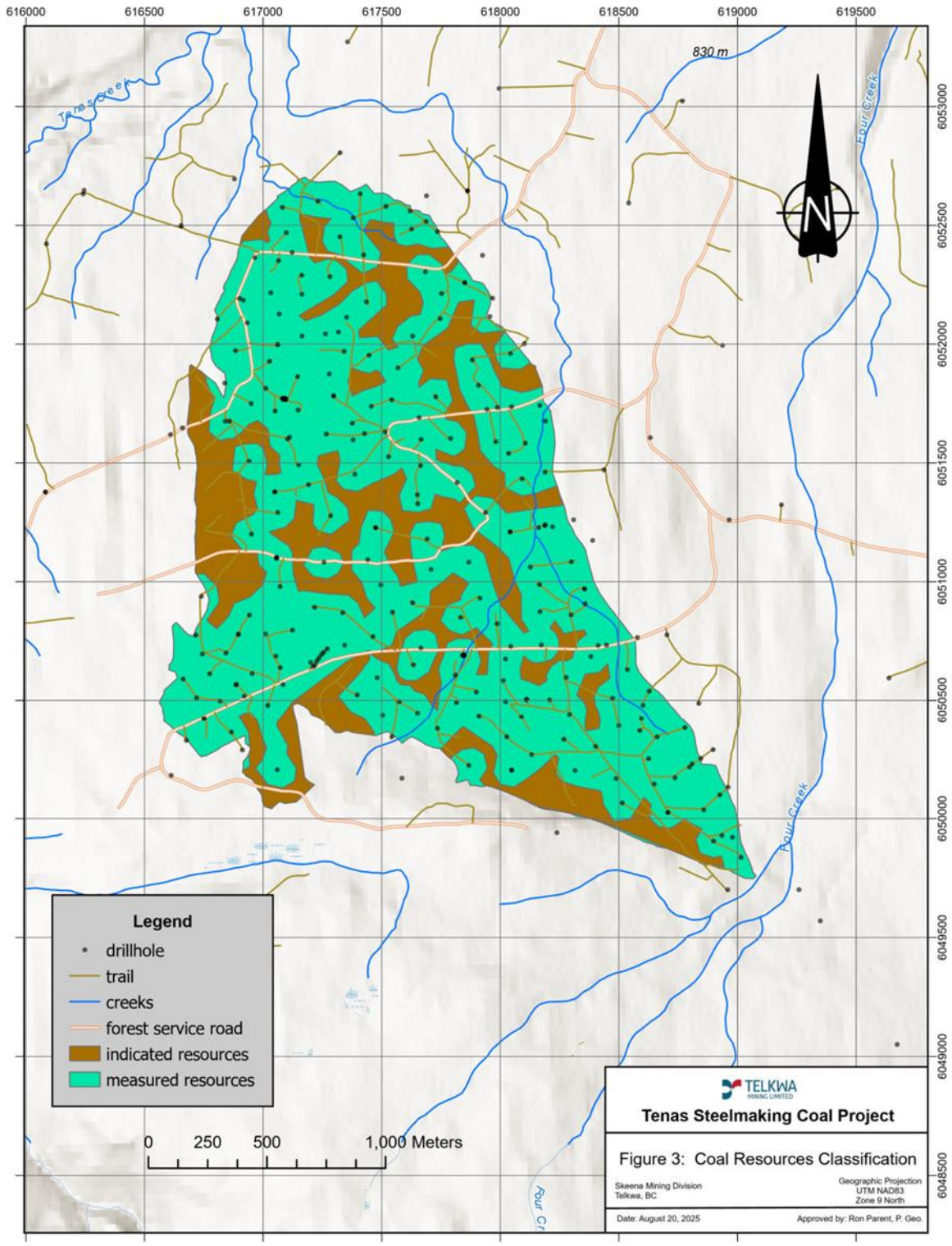


Figure 3: Coal Resources

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3. ESTIMATION METHODOLOGY

Coal quality and seam thickness parameters for Tenas were estimated using the inverse distance squared method within the seam wireframes that control the distribution of interpolated values in three dimensions (3D). The model is of the recoverable coal seams only and the interburden has been modelled by default but to sufficient detail to assist with mine rock characterisation and mine rock management. The model block size ranges from 5 to 25 meters (m) along strike, 5 to 10 m down dip and 5 m in height. Average drillhole spacing for Tenas is 110 m and the average core hole spacing (with quality data) is 237 m.

A key assumption utilised in the resources estimate was the relationship between ash content on an air-dried basis and bulk density used for conversion of volume to tonnes. The geological interpretation is based on the "stacking" of seam bottoms along 25-m spaced cross sections from the lowermost seam upward. The main validation method used was a comparison between wireframe solids volume and volume generated from the 3D block model after coding. The model accurately represents the drilled seam true thicknesses to +/- 0.1 m at a given coordinate location. The elevations may vary up to 3 m at any drillhole intercept. This is due to the sectional nature of the modelling process, projecting seam intersections a maximum of 12.5 m to the nearest cross section.

A Competent Person, who is an employee of FaultBlock Geological, validated the available geological data, constructed the computer-based geological model, and undertook the resources estimation.

4. RESERVES

The JORC Code requires that at a minimum, a preliminary feasibility study be completed as the basis for the definition of reserves quantities. The DFS was used as the basis for defining the Reserves quantities as outlined in Table 2 below. Assumptions adopted by the Competent Person in defining these reserves quantities in the DFS are set out in JORC Table 1 in Appendix C.

Table 2: Run-of-Mine (ROM) Surface Mineable Reserves Summary (Mt) (as of 18 March 2019

Tenas Reserves	ROM Coal (Mt)	Saleable Coal (Mt)
Tenas Proven	17.1	12.9
Tenas Probable	4.9	3.7
Tenas Total	**22.0**	**16.5**

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The production targets and forecast financial information outlined in this announcement in relation to the new Tenas reserves, are based solely on the Proven and Probable reserves in Table 2 above. Modifying factors such as mining dilution, mining recovery, raw ash and density, and coal yield have been estimated using accepted techniques considered by Telkwa and SRK. The accuracy of the Tenas reserves estimate is subject to geological data and modelling procedures to estimate the coal resources and to modifying factor assumptions for dilution and loss. While the Project is not in production and such reconciliation is not possible, the assumptions are based on sound principles and experience from mines with similar conditions.

All Tenas reserves estimates are based on: minimum minable seam thickness of 0.8 m; maximum ash content of 50%; dilution of 0.15 m per seam (unless blasting through seams, where it is 0.25 m) and coal loss of 0.10 m per seam (0.20 m where blasting through seams) per coal seam; ROM coal and saleable coal product bases, with moisture contents of 5% and 10%, respectively; and coal yields are based on washabilities at a float-sink specific gravity of 1.65.

The Competent Person has reviewed the May 2019 reserves to consider potential implications of revised economic factors in the Updated Feasibility.

The other technical factors such as resources definition, coal quality, mining and metallurgical factors, environmental and infrastructure criteria remain unchanged. The Competent Person has assessed the impact on the reserves of potential changes in both operating and capital costs, revenue factors and economic conditions.

The Project's reserves are physically limited to the full extent of the Project's resources in that there is no extension of minable areas outside of the mine plan due to historical erosion of the site beyond the resource area. The mine plan adopted in the DFS, and subsequently in the Updated Feasibility, is for the mining of the complete reserves.

5. MINING

5.1 MINING METHODS

Given the shallow geology of the resource, all mining at the Project is open cut. Mining equipment includes excavators, front-end loaders, and haul trucks, supported by dozers, backhoes, and blasthole drills. This type of equipment is typical for surface mining operations and includes equipment specific to selective mining in certain thinner seams present on the property. The majority (65%) of overburden removal is projected to require blasting.

The Tenas deposit is a syncline basin with the coal seams gently dipping from the west meeting the syncline on the east. The deposit is to be mined by open pit mining methods involving nine phases.

Mining commences with Phase 1 in the shallowest area to the southwest, then progressively mining towards the syncline to the east, north and south, as illustrated in Figure 4.

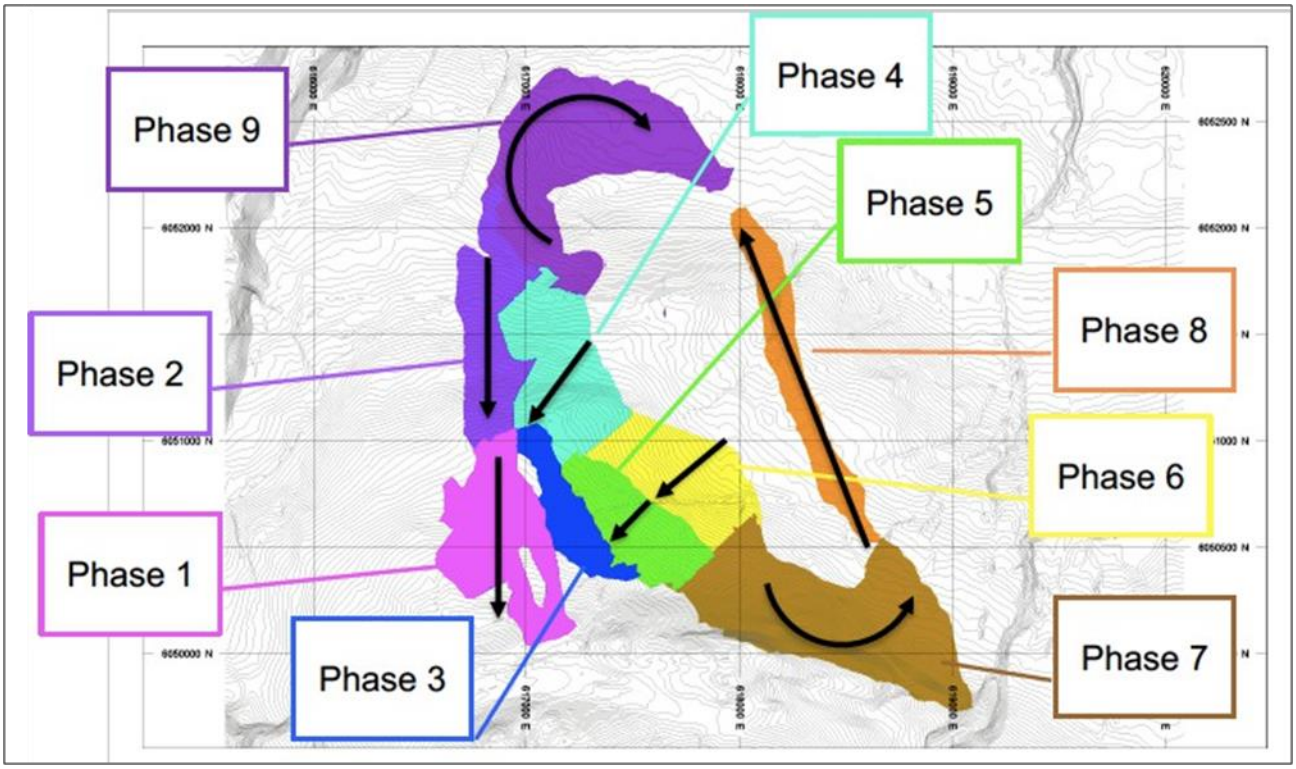


Figure 4: Mining Phases

Multiple mining approaches can be deployed to take advantage of the unique geological and topographic setting of the Tenas deposit. Shallow dipping and reasonably near surface coal strata allow for a bottom-up mining approach as illustrated in Figure 5 below.

For this, a box-cut is established at the lower end of a phase and successive cuts advance up-dip, progressively expanding available backfill space down-dip from the active cuts. Hydraulic excavators mine the bulk of the mine rock, with track dozers pushing some of the mine rock above 1U-seam on to the final pit bottom. Hydraulic excavator also mines coal. Blasting is in benches above C-seam and then through C-seam, standing off from 1U/1-seam. Not all phases are amenable to this method due to steeper seam dips nearer the syncline, relying instead on more conventional top-down bench mining.

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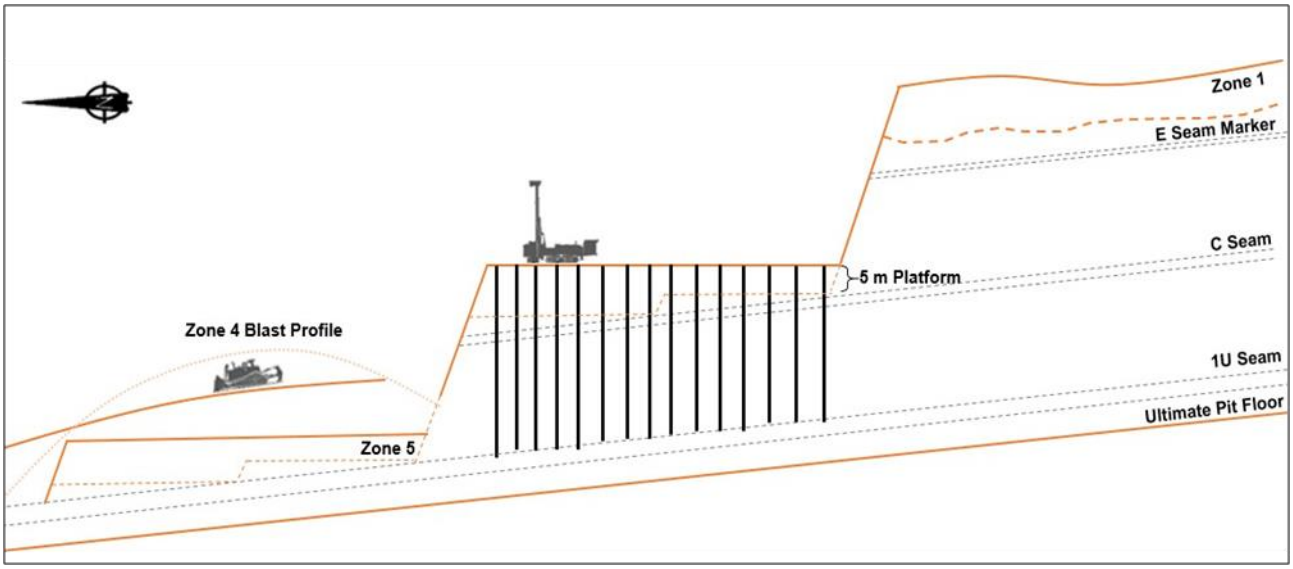


Figure 5: Bottom-Up Mining Methodology

The mine production schedule for the Project is nominally 1,050,000 run-of-mine tonnes (ROMt) per annum for a 22-year mine life, including construction. The Project will produce on average 750,000 saleable tonnes per annum, at a strip ratio of 3.6:1 Bank Cubic Meter (BCM)/ROMt and a coal processing plant yield of 75% (at 10% moisture when loaded onto a vessel).

5.2 EQUIPMENT REQUIREMENTS

The primary equipment fleet at full production will include:

- Two production drills (one 250 mm and one 140 mm bit diameter)
- Two hydraulic backhoes (15 m^3)
- Two hydraulic backhoes (12 m^3)
- One backhoe excavator (6 m^3)
- 12 rigid frame haul trucks (91 t)
- Four track dozers (3.9 m blade)
- Three graders (4.26 m blade)
- Two water trucks (91 t)

The production fleet will be supported with ancillary equipment like other open pit operations in western Canada.

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5.3 LABOUR REQUIREMENTS

The mine will operate twenty-four hours per day, seven days a week, 365 days per year with four crews on a seven shift on/seven shift off rotation schedule, alternating days and nights, while the maintenance workforce is assumed to largely work a dayshift seven shift on/seven shift off rotation schedule with two tradespeople working night shift to support mine operations. At full production, the mine averages 95 mine workers, 29 mine maintenance workers, and technical support and supervisory staff. The neighbouring towns of Telkwa, Smithers, Witset, and Houston house skilled mine workers who support the hardrock mining industry in the region. In addition, the primary industry in the region is forestry, where skilled equipment operators provide a readily available labour pool.

6. PROCESSING

The Coal Processing Plant (CPP) configuration that will be construction is a Dense Media Cyclone/flotation coal processing plant designed and constructed to process approximately 145 tonne/hour (t/hr) of run-of-mine coal (ROM) over the mine's life. A key factor to this processing rate was a desire by Telkwa Mining to use a Sedgman modular plant deign with minimal upfront capital expenditure. Figure 6 illustrates the Sedgman designed modular CPP and related infrastructure.

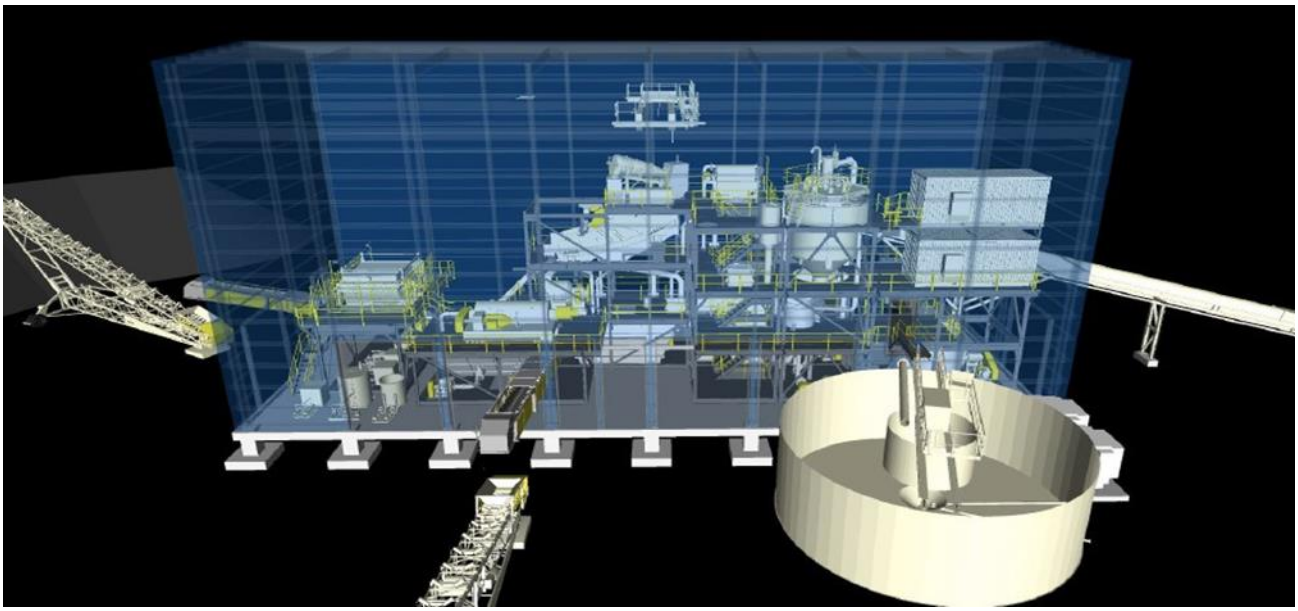


Figure 6: CPP Plant Isometric View

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The CPP is located approximately 2 km to the northeast of the Tenas pit. This location was selected as it has a relatively flat profile which minimises bulk earthwork costs required to construct the pad required for both the CHPP and ancillary infrastructure.

The CHPP flowsheet incorporates the following process stages:

- raw coal reclaiming and size reduction;
- coarse coal (DMC) circuit for coal between 50.0 by 0.50 mm with horizontal basket centrifuge for dewatering;
- magnetite recovery circuit;
- fine coal flotation for coal <0.50 mm with screen bowl centrifuge for dewatering;
- fine rock thickening and dewatering using a belt press filter;
- washed coal loadout at the plant via an 8,400-tonne open air stockpile;
- plant rock loadout via a 6,600-tonne open air stockpile;
- 16 km on-highway truck haul to the rail loadout;
- washed coal loadout via a 30,000-tonne open air stockpile; and
- 375 km rail transport using 116-car unit trains to Trigon Terminal.

7. INFRASTRUCTURE

The construction of the infrastructure required to support the mining operation will occur in stages to minimise the upfront capital but also allow for expansion:

- 2027/28 – Infrastructure constructed to support the immediate operational needs;
- 2029 – Maintenance infrastructure upgraded; and
- 2030 – Stacker/reclaimer upgrade to be more efficient at the rail loadout.

The infrastructure facilities outlined below will be constructed in years 2027 and 2028 of the operation:

- one 50,000 L diesel fuel tank and dispensing station for mine and light vehicles;
- electrical substation and site distribution;
- improvements to 6.0 km of existing forestry access road through the Goathorn Creek Valley;
- a fit for purpose 110-tonne single lane bridge over Goathorn Creek;
- a newly constructed 10.0 km access road to the rail loadout;
- a rail loadout pad with sprayer apparatus;

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- 2.5 km rail loop that includes 500 metres for the lead tie-in track to support a 116-car unit train;
- 3.6 km of 25 kV transmission line to site;
- a new 25 kV to 600 V substation and electrical rooms on site;
- a pole mounted 25 kV to 600 V transformer at Goathorn Creek;
- a second pole mounted transformer located at the explosive's storage facility;
- communication system;
- explosives facility and magazines;
- flocculant sheds at the rail loadout and the main sedimentation pond at site; and
- administration and mine dry building.

The infrastructure facilities outlined below will then be added in 2028 to support the operation:

- maintenance shop facility, including a warehouse with a loading dock;
- cold storage facility;
- light vehicle shop and emergency rescue fabric structure;
- second 50,000 L diesel storage tank;
- bulk lube facility at the truck shop; and
- dust suppression system at the rail loadout and plant site.

The infrastructure facilities outlined below will then be added in 2030 to support the operation:

- stacking and reclaiming system at the rail loadout;
- additional conveyor antifreeze system; and
- automated signals at Telkwa Crossing.

It is estimated that the facilities constructed in 2027 will take up to eight months to deliver with the rail loop and access road being the longest lead items.

8. TRANSPORT

Once loaded onto rail, carrier Canadian National will transport the coal to Trigon Terminal near Prince Rupert, where it will be loaded into ships. Trigon, at approximately 375 km, is the terminal of choice for the Project, with a revised 2025 transportation cost (combined rail and port) of US $23.23/tonne of saleable coal.

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9. ENVIRONMENT AND REGULATORY APPROVALS

Development of the Project will require approval from BC Provincial regulators only. Telkwa Mining prepared an Environmental Assessment Certificate Application (EAC) to meet the requirements of the province. The EAC was the subject of formal technical review in early 2022 and Telkwa Mining is currently preparing responses to Information Requests raised during that technical review. It is expected that Telkwa Mining will resubmit the revised EAC to regulators and Indigenous Nations in late 2025.

The duration of the Environmental Assessment Certification Application review process is dependent upon the extent of any subsequent Information Requests and ongoing engagement with stakeholders. Furthermore, several additional permits must be acquired by the Company before construction can commence.

It is noted that in response to tariff threats from the President of the United States in early 2025, both the British Columbia and Canadian Governments have recently announced policies to try and expedite project approvals, particularly those in industries like steelmaking coal, which do not export to the USA.

10. FIRST NATIONS, GOVERNMENTAL AND THIRD-PARTY ISSUES

Telkwa Mining acknowledges that the Project is located on unceded lands belonging to the Wet'suwet'en Peoples. The Wet'suwet'en consist of both hereditary and elected band representation. The hereditary representation is comprised of thirteen houses and five clans with the Project located on the house territories of the Cas Yex and Kwen Bea Yex. The primary elected bands the Project is discussing with are the Witset First Nation Band, Skin Tyee First Nation Band, and the Wet'suwet'en First Nation Band.

Telkwa Mining meets regularly with representatives of the Wet'suwet'en and has established a policy of close cooperation and open communication as the Project moves forward. First Nations participate in the EAC 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 Telkwa Mining, to understand and address the issues brought forth by First Nations.

Telkwa Mining is seeking to develop Benefit Agreements with First Nations to support long-term partnerships for development, operation, and reclamation of the Project. The potential financial and non-financial benefits associated with those partnerships have not been finalised and have not been included in the assessment of capital and operating costs for the Project.

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Bathurst and Telkwa Mining representatives have engaged with First Nations since acquiring the Tenas Project 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.

Telkwa Mining has previously met with the local governments (councils, mayors) of the nearby towns including Houston, Telkwa, Witset, Hazelton, and the Regional District of Bulkley Nechako. Through the EAC development process, Telkwa Mining has also had discussions with non-governmental organisations regarding their special issues and concerns.

11. COAL PRICING

The updated coal price forecast was developed based on an assessment of publicly available forecasts which included market forecasts released by KPMG and McCloskey and Wood Mackenzie. The required SSCC price path has been generated at an average of 60% of PLV HCC over the life of the Project. Adjustments were applied to these benchmarks to reflect discount factors applied in the DFS and Updated Feasibility. The assumed received price for the saleable coal product sold from the Project in the Updated Feasibility is shown in Table 3.

Table 3: Saleable Coal Price Assumption (US$/tonne) – Updated Feasibility

Saleable Coal Product Type	Tenas Project Price
Average Medium Volatile Semi Soft Coking Coal	$175

12. COAL MARKETS

Steel mills use a blend of coking coals ranging from hard coking coals to semi-coking coals to feed their coke ovens. Generally, the steel mills blend at a ratio of 70:30 hard coking coal to semi-coking coal. In some instances, semi-coking coal is the primary feed for a coke oven.

The Project's target customers are the north Asian steel mills. Using coal derived from the 2018 drill programme, Telkwa Mining provided bulk sample coal to the three Japanese steel mills and one South Korean steel mill, all of whom undertook coal quality tests.

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Following the test results, expressions of interest were lodged for the purchase of coal once the Project is in production. Feedback from the steel mills emphasised the scarcity of mid-volatile semi-soft coking coals on the seaborne market. They advised that the semi-soft market is dominated by the supply of high volatile semi-soft coking coals from the Hunter Valley and that there only a few mines, producing low volumes, of mid-volatile semi-coking coal from central Queensland. They also advised there was no non-Australian supplier of mid-volatile semi-soft coking coal to the seaborne market, placing Telkwa coal in a unique position.

Telkwa Mid Volatile Matter Semi-soft coking coal ("MV SSCC") is expected to be well received due to limited availability of MV SSCC on the seaborne market, in contrast to the more readily available high volatile SSCC coals from NSW. The market should react favourably to the introduction of a new MV SSCC, not only as diversification from Australia, but also since Canadian SSCC supplies have largely been eliminated with the closure of the Coal Mountain operation.

13. CAPITAL EXPENDITURES

The start-up capital expenditure for the Updated Feasibility is summarized in Table 4 below.

Table 4: Comparison of DFS and Updated Feasibility Start-up Capital (US$M)

Start-up Capital	DFS	Updated Feasibility
Exploration and evaluation and milestone payments for Coal Tenements	0.00	4.90
Pre-production Mining	4.22	13.55
Processing	17.30	24.72
Infrastructure	12.50	33.90
Water management and PAG cells	17.31	11.91
Rail	5.40	7.85
Mining equipment	33.55	41.34
Office furniture and equipment	0.23	0.60
Contingency	2.25	0.00
TOTAL	**92.77**	**138.77**

The milestone payments are to Altius Minerals Corporation in the first two years after the commencement of production and represent most of the purchase price paid by Allegiance for the acquisition of the Telkwa coal exploration tenements.

Pre-production activities include land clearing, logging, topsoil salvage and pre-strip of the open pit to uncover first coal. Minesite infrastructure primarily includes:

- Earthworks;
- connecting to power including sub-station;
- upgrading existing forestry roads;
- ROM and saleable coal haul road construction including several small bridges;
- raw water system;
- fuel tanks; and
- Fencing.

As discussed previously, the CPP is a Sedgman designed modular wash plant that will have a feed capacity of approximately 145 t/h. The wash plant configuration was driven by a desire to minimise start-up capital expenditure without materially compromising yield and performance.

Effective and reliable water management is critical for any mine operation in British Columbia. Managing surface water from rain and snow melt that contacts mine disturbance is especially important. Contact water is diverted via channels to ponds where the water is held, allowing sediment to settle prior to the water being discharged into the receiving catchment area.

The DFS also assumes the water will be discharged into the Telkwa River (a large watercourse) via a pipe. Water is discharged in spring and summer once the ponds have thawed after the spring melt and during high water flows.

In addition, some of the mine rock has the potential to leach acid when exposed to air and water, which the DFS assumes will be submerged under water in management ponds constructed during the first 10 years of production eliminating the opportunity for the rock to acidify.

The DFS assumes that start-up production equipment will involve new equipment. Attractive equipment financing terms were offered by several well-known equipment brands for fleets of new equipment.

The sustaining capital expenditure for the Updated Feasibility compared to the DFS is summarized in Table 5.

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Table 5: Comparison of DFS and Updated Feasibility Sustaining Capital (US$M)

Sustaining Capital	DFS	Updated Feasibility
Exploration and evaluation and Interest in Coal Tenements	5.64	0.00
Mining	4.16	9.17
Processing	0.49	17.13
Infrastructure	4.22	12.84
Water management and PAG cells	46.75	1.74
Rail	0.59	4.09
Mining equipment	10.87	34.81
Office furniture and equipment	0.75	1.54
Contingency	0.69	0.00
TOTAL	**74.16**	**81.32**

As discussed above, ongoing water management and mitigating the risk of environmental impact are important and require significant ongoing capital investment during the life of the mine. This is common in British Columbia, and Canada, and reflects the high standards that Canada sets for the protection of the environment from industry, not just mining.

14. OPERATING COSTS

Mine operating cost estimates were developed in the DFS to consider all site-based aspects of the mining operation (including coal processing, coal and mine rock loading and haulage, topsoil salvage and replacement, road maintenance, water management, reclamation, and site administration) as well as all off-site costs (including rail and port charges, marketing, royalties, and corporate overhead costs).

The unit rates used in the Updated Feasibility have been increased based on independent assessment of key cost inputs including fuel costs, electricity prices, increased maintenance/parts costs, increased labour costs and increased management and overhead costs.

The Project enjoys relatively easy mining conditions with flat gentle dipping coal seams, and a low average life-of-mine strip ratio of 3.6:1 BCM/ROMt, or 4.8:1 BCM/Saleable Tonne (SALEt).

This, along with dozer pushing and backfilling a significant amount of mine rock material during mine operations, has contributed to low mining costs.

A royalty is payable to Altius Minerals Corporation for the life of mine as part of the Project acquisition purchase price, equal to 3% of the Free on Board (FOB) price and paid quarterly after sales. Table 6 summarises the Updated Feasibility cash costs for the Project.

Table 6: Comparison of DFS and Updated Feasibility Cash Costs

FOB Operating Cost* (US$)	Unit	DFS	Updated Feasibility
ROM Coal Strip Ratio	BCM:ROM tonne	3.6:1	3.6:1
Saleable Coal Strip Ratio	BCM:Saleable Coal Tonne	4.8:1	4.8:1
Operating Costs –saleable coal tonne basis (t)			
Mining	US$/t	19.47	31.24
Processing	US$/t	6.27	8.33
Coal Handling	US$/t	3.78	4.12
Reclamation	US$/t	0.86	5.13
Free on Rail (FOR) Cost	**US$/t**	**30.38**	**48.82**
Marketing	US$/t	1.93	0
General & Administration	US$/t	4.24	7.96
Rail and Port	US$/t	13.16	19.11
Royalty	US$/t	2.87	4.59
Free on Board (FOB) Cost	**US$/t**	**52.58**	**80.48**

*Operating expenditure has been converted from C$ to US$ at 0.75 (DFS) and at 0.70 (Updated Feasibility).

The review has not updated inputs to a Definitive Feasibility Study level of accuracy but does provide an Updated Feasibility on the changing economic parameters of the Project.

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15. PROJECT FINANCING

All material assumptions for the DFS, and Updated Feasibility are outlined in this report. These include assumptions about the availability of funding. While the Company considers all 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 DFS and Updated Feasibility will be achieved.

Funding for pre-production capital expenditure in the order of US$ 139M will be required if the company constructs the maintenance shop, CPP, and ancillary infrastructure. The scenario presented in the DFS assumes all capital items besides mobile equipment are purchased. As part of future optimisation studies, and as the Project gets closer to an investment decision, alternative funding arrangements (e.g., contract mining) for the aforementioned items will be examined, as is customary practice in the mining industry. This has the potential to reduce the pre-production capital requirement.

The Company anticipates that the source of funding for the capital investment will be a combination of equity, debt, the use of contractors (to reduce overall pre-production capital requirements) and pre-paid offtake from the Project.

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.

16. PROJECT ECONOMICS

In addition to the coal production inputs discussed throughout this announcement, additional inputs into the key performance indicators of the Project economics are set out in Table 7 for the Updated Feasibility.

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Table 7: Summary of Additional Inputs to Economic Model

Additional Inputs to Key Performance Indicators	Units	Value
Average Coal price for Tenas saleable coal life of Project	US$/t	175
BC Minerals tax rate (deductible from corporate taxes)*	%	2 or 13
BC Corporate tax rate	%	12
Federal Corporate tax rate	%	15

*BC Minerals tax rate comprises a net current proceeds tax rate of 2% or a net revenue tax rate of 13% depending on taxable income.

The Project key performance indicators are summarized in Table 8 for the Updated Feasibility.

Table 8: Project Key Performance Indicators

Key Performance Indicators	Units	Value
Pre-tax NPV8%	US$M	446.4
Pre-tax IRR	%	34.6
Post-tax NPV8%	US$M	269.1
Post-tax IRR	%	27.5

17. KEY RISKS

The material risks identified in the DFS and Updated Feasibility are listed below:

- **Market Risk:** The economics are based on pricing forecasts from reputable and respected sources, however there is no guarantee these forecasts will prove accurate.
- **Coal Quality:** While the historical exploration programs have provided what is believed to be reliable and detailed coal quality information, supported by the results from the 2018 and 2019 exploration program, there remains some risk until actual sample shipments have been made from Tenas to prospective customers and accepted as compliant to their specifications.

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- **Plant Yield:** Significant information on coal washability was acquired during the summer 2018 and 2019 bulk sampling and washability evaluation programs. This data is deemed to be sufficient for DFS level engineering. Plant yield could vary in operation versus the model.
- **Environmental/Permitting:** The EAC application is being reviewed to determine if there are any significant adverse effects from the Project. The environmental baseline program and modelling efforts to support the EAC Application have greatly expanded the knowledge base at the Tenas Project. Telkwa Mining is in a position at this time to determine the government's decision on what environmental and mining permits Telkwa Minning may in the future be required to submit. There is not guarantee an EA certificate will be issued by the government.
- **Port:** At this time, it appears likely that sufficient port capacity will exist once Tenas commences operation. However, there are several other coal projects under evaluation in western Canada that also contemplate export through this port. Telkwa Mining does not currently hold a contract for port capacity. Until a contract is executed, there remains a risk. 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 SRK's experience in similar geo-mining conditions. 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 DFS will be achieved should excursions from the assumptions occur.

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APPENDIX B: COMPETENT PERSONS STATEMENT – SEPTEMBER 30, 2025

Competent Person Statement – September 2025

Resource Estimate

The information in this ASX announcement that relates to the coal resources estimate of the Tenas Steelmaking Coal Project developed in 2019, accurately reflects information prepared by Mr. Ron Parent, 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 Tenas Steelmaking Coal Project is based on information resulting from work conducted by FaultBlock Geological. Mr. Parent 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 British Columbia. Mr. Parent is an employee of FaultBlock Geological and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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. Parent consents to the inclusion in the document on the matters based on his information in the form and context in which it appears, and his letter of consent is attached in Appendix D.

Reserves Estimate and Bankable Feasibility Study

The information in this ASX announcement that relates to the coal reserves estimate and definitive feasibility study of the Tenas Steelmaking Coal Project developed in 2019, accurately reflects information prepared under the supervision of Mr. Robert McCarthy, 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 Reserves Estimate and Definitive Feasibility Study of the Tenas Steelmaking Coal Project is based on information resulting from work conducted by SRK. Mr. McCarthy 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 Engineers and Geoscientists of British Columbia. Mr. McCarthy is an employee of SRK 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. McCarthy consents to the inclusion in the document on the matters based on his information in the form and context which it appears, and his letter of consent is attached in Appendix E.

Production Targets

The Mineral Resources and Ore Reserves underpinning the production targets and financial information included in this announcement were prepared by Mr. Parent and Mr. McCarthy

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respectively in accordance with the requirements of the JORC Code. Mr. Parent and Mr. McCarthy 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 (74.2%) and Indicated (25.8%) Resources.

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APPENDIX C: JORC TABLE 1

Section 1 – Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole 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 representativeness 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 (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g 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 (e.g., submarine nodules) may warrant disclosure of detailed information.	• All boreholes, where conditions permitted, were geophysically logged with some or all the following tools: deviation, gamma, density, caliper, neutron, dip. • Geophysical logging operators routinely calibrated their tools between programs. • Core holes were sampled, where core recovery permitted, as whole core collected for coal quality analysis and rock geochemistry. • The results from the geophysical logging were used to determine the lithology of the strata in the hole. • The cored intervals are compared to the geophysical log to determine sample intervals and core loss. • Samples from these programs were sent to the Crowsnest Resources Limited (CNRL) company laboratory and to Loring Laboratories in Calgary. • A bulk sampling test pit was also excavated with a 219-tonne sample collected from 7 seams. The samples from this test pit were evaluated by Birtley Laboratory in Calgary. • A further coal quality drilling program was conducted in 2018 that consisted of four PQ core holes and a bulk sample comprised of 14, 6-inch core holes. The PQ holes were assessed at the Birtley Laboratory in Calgary, AB while the 6-inch holes were assessed by the SGS Laboratory in Delta, BC.
Drilling techniques	• Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g., core	• A variety of drilling techniques were utilized on this Telkwa Coal Project comprising the Tenas, Goathorn and Telkwa

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Criteria	JORC Code Explanation	Commentary
	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.).	North deposits including core, air rotary or a combination of both. • From 1979 to 1989 the drilling was done for CNRL using top-head drive Ingersoll Rand (IR) rotary rigs and Longyear 38 diamond core rigs. Core diameter was 1 7/8" NQ core plus some 6" diameter cores. • From 1992 to 1998 the drilling was done for Manalta using top-head drive Failing 1250 and IR rotary rigs and an Acker diamond core rig. Core diameter was 1 7/8" NQ core. Sampling of coal was done by the diamond core rig. Rotary coring to obtain 10 cm (4") diameter core was also used. • Core was not orientated. • A drilling program was completed in 2018 consisting of PQ diamond core holes which were logged plus a bulk sample obtained from 6-inch air rotary holes.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize 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.	• The cored intervals were compared to the geophysical log to determine sample intervals and core loss. • The drilling contractor was responsible for ensuring that core recovery was maximized. • Due to the nature of the Telkwa Deposit/Project, core quality was not affected by coal recovery. • Core recovery records were reported on the written core description sheets for each core hole. The average recovery from 1992 to 1998 was typically in the 80% to 100% range and was typically better than that achieved during the CNRL tenure period. • Core recovery for the 2018 program was between 80 and 100% for the PQ core holes and 95 to 100% for the 6-inch core holes.

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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 photography. • The total length and percentage of the relevant intersections logged.	• All core was logged using similar logging criteria included lithology, weathering, core quality/hardness and observation of structural features. • The logging with respect to the down hole logs is quantitative and core photographs are available in some instances. • All boreholes, where conditions permitted, were geophysically logged with some or all the following tools: deviation, gamma, density, caliper, neutron, dip. • Geophysical logging operators routinely calibrated their tools between programs. • The geophysical logs were used to determine the lithological intervals in rotary holes where no core was retrieved. In general, coal was determined by its low response on the density tool (~<1.8 g/cc). Once determined if the interval was coal or not, a lithotype for rock intervals was determined by observing the gamma log response, which had the lowest response in clean sandstones with little clay content and the highest response in shales due to the high clay content, which contained K that emits radiation. • All holes in 2018 were logged geophysically and dipmeter was run on holes. The 6-inch core holes were only logged geologically.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all cores taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	• All samples taken were of whole core. • Of the few rotary sampled holes, none of the analytical data were used in the resource estimate. • Quality control was provided via referencing the geophysical log. The analytical results were checked for reasonableness

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Criteria	JORC Code Explanation	Commentary
	• 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 representativeness 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.	against the gamma and density results. There should be a direct relationship between density and ash content. • Whole core material of each seam or ply, either as single samples or a series of samples by depth increments, were sent to the laboratory for analysis. All coal core samples were bagged on site before being transported to Loring and Birtley Laboratories in Calgary for 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 (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.	• Loring, SGS, and Birtley Laboratories are ISO 9001 certified, adhere to ASTM preparation and testing specifications and have quality control processes in place.

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Criteria	JORC Code Explanation	Commentary
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.	• The verification in terms of coal quality was by comparison of analytical results with the geophysical log. The sampling and analytical results were overseen and reviewed by qualified geologists. • Anomalously thick intersections in the dataset were checked to ensure correctness. • Twinning of holes is generally not required except in the absence of a geophysical log. • In general, all core logs and intervals were recorded using handwritten logs, some of which were transcribed into spreadsheets or other software. • Data prior to 1992 have paper geophysical logs, however all hole drilled from 1992 – 1998 have log asci (.las) files in digital format. • All the data has been stored in an MS Access database. • 2018 data was compared to historical information and the geophysical logs to validate the results obtained.
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 historical drillholes have been surveyed using total station survey equipment. Extensive documentation of survey traverses is available as part of the record. • All historical data points used in the resource estimate were surveyed in NAD27. These were converted to NAD83 for the purposes of this study and future work. • Topographic contours at 2 m intervals provide appropriate topographic control. • 2018 drill holes were surveyed using GPS with RTK corrections resulting in accuracies of +/- 5 cm in NAD83.

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Criteria	JORC Code Explanation	Commentary
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.	• Average drillhole spacing for Tenas is 110 m, 125 m for Goathorn and 135 m for Telkwa North. The average core hole spacing (with quality data) is 237 m in Tenas, 173 m in Goathorn, and 157 m in Telkwa North. • The resource classification is based on an assessment of the geological (seam thickness) and coal quality continuity. This has then been summarized using the distance from nearest acceptable data point (drillhole) for coal seam thickness identification and an assessment of the confidence in coal seam continuity / correlation. The drillhole spacing and continuities are considered appropriate to define Measured, Indicated and Inferred Resources on the following basis: ○ Measured = within 75 m of drillhole utilized in the model (that is, holes identified as appropriate for use in the current resource estimate) ○ Indicated = within 75 m to 150 m of drillhole ○ Inferred = within 150 m to 300 m of drillhole
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.	• Drilling was oriented on cross sections at 25 m spacing oriented perpendicular to local trend. • Drilling was vertical and coal seams dip at between 0 and 65 degrees. Seam thickness intercepts are corrected to true from apparent thickness using the locally interpreted seam dip.
Sample security	• The measures taken to ensure sample security.	• No known special sample security measures were applied at the time of sample submission to the laboratories.

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Criteria	JORC Code Explanation	Commentary
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Extensive checks and comparisons between data has been undertaken to verify and validate data for this resource estimate.

Section 2 – Reporting of Exploration Results

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 license to operate in the area.	• Coal tenure is held in the form of coal licenses (19 parcels for 4,802 Ha) and freehold coal (5 parcels for 1,303 Ha). The coal licenses are held by Telkwa Mining Limited (TML). • The tenure is secure, and maintenance payments are all up to date. • The freehold areas are owned by TML. • The only known impediment to obtaining a license to operate will be negotiations with select private land holders in the area for development.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• In the period from 1979 to 1998 a total of 867 documented drillholes were completed on the Telkwa property by CNRL and Manalta. Of those, 525 were drilled using conventional rotary methods, while 310 were cored. In 47 of the drill-holes, 59 piezometers were selectively installed at various stratigraphic levels. 32 surficial boreholes have also been completed to date on the property. In addition, there are reports of about 30 holes being drilled by Cyprus and Canex sporadically in the period from 1969 to 1978; this data has not been compiled due to the inferior quality of the records.

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Criteria	JORC Code Explanation	Commentary
		• Additionally, surface geophysics has been conducted periodically by both CNRL and Manalta with the intention of tracing coal seams on surface.
Geology	• Deposit type, Geological setting, and style of mineralisation.	• These medium to high volatile bituminous coal deposits are part of the Red Rose formation of the Skeena Group. • The Skeena Group sediments of the Telkwa Coalfield are an erosional remnant of Lower Cretaceous sedimentary rock which were initially deposited within a large deltaic complex along the southern flanks of the Bowser Basin. Throughout late Jurassic and early Cretaceous time the Bowser Basin was the focus of rapid sedimentation, subsidence and increased tectonic activity, which resulted in thick accumulations of coal-bearing sedimentary rock. • The geology type classification for Canadian coal deposits is “complex.” Minimum open pit mineable thickness for complex coal deposits is 0.8 m. • The main economic seams range from a minimum mineable thickness of 0.8 m to 9 m in thickness.
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	• Modern exploration of the Telkwa Coal Project started with Cyprus Anvil Mining in 1978 and since then over 800 exploration drillholes and 3 bulk samples have been conducted on the property. • Other ancillary activities such as trenching, geological mapping and surface geophysics have also been conducted.

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Criteria	JORC Code Explanation	Commentary
	• 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.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., 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.	• All compositing was length based. • Seams consist of minimum 2:1 coal to rock ratio with a maximum internal "parting" of 0.3 m for the Tenas complex and 0.5 m for Goathorn and Telkwa North complex. • Seam composites were made from compositing of lithological intervals (Coal or Parting) honouring the seam code. • Coal quality intervals are cross referenced with the seam composites.
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 (e.g., 'down hole length, true width not known').	• Composited seam intervals were assigned a dip from a geological section, and the true thickness of the intervals was established.

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Criteria	JORC Code Explanation	Commentary
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 have been developed for the Telkwa Coal Project by TML in accordance with JORC Code requirements. • Diagrams include location maps, drillhole plots and geology cross-sections.
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 avoiding misleading reporting of Exploration Results.	• Not applicable. While full details of all the exploration results have not been released, there are no significant or material issues not summarized in this Table 1.
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	• Bulk samples have contributed to the understanding of the quality characteristics of the Telkwa coals and have been extracted from each of the three main resource areas. On each, a complete suite of coal quality analyses was performed, including testing on a variety of simulated preparation plant saleable coal products. • In 1983, a 219-tonne bulk sample was collected from 7 major seams within the Goathorn East (Pit 3) area. In 1989, a bulk sample was extracted from the Bowser (Telkwa North – East Pit) area via a large-diameter coring program. And, in 1996, an 80-tonne bulk sample was collected from the three mineable seams in Tenas Deposit/Project. • Total sulphur and three forms of sulphur (organic, inorganic, and sulphate) have been estimated for the various seams to determine the potential for water treatment.

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Future work	• The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions, or large-scale step-out drilling).	• Any additional future work will involve drilling in support of acid rock drainage, structural understanding, hydrogeology, and geotechnical evaluations. • Some 2d seismic programs may also happen to aid with fault locations and overburden depths and material types.

Section 3 – Estimation and Reporting of Mineral Resources

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.	• By overlaying the geophysical log density data on the lithological intervals, the coal intercepts were assigned a density value which was then checked for reasonableness (i.e., density from geophysics should be between 1.30 and 1.80 g/cc). • Downhole geophysical data was used to validate and verify seam intercepts and to assist with seam correlation and stratigraphy. • Other data validation included visual inspection of every seam intersection on cross section to allow for proper seam correlations and to look for anomalies in the stratigraphic interval. • For Data capture and current database storage MS Access is utilized, along with cataloguing and electronic filing of all pertinent data stored on the SRK server.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	• A site visit was conducted on April 11, 2017, by: ○ Ron Parent – Resource Competent Person (Independent) ○ Bob McCarthy – Reserves Competent Person (SRK)

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Criteria	JORC Code Explanation	Commentary
		○ Ed Saunders – Geotech (SRK) ○ David Maarse – Water Lead (SRK) ○ Karl Haase – Processing (Sedgman) • The visit consisted of an aerial tour via helicopter and a ground tour on accessible roads. The core storage facility was observed as well as several outcrops. • Ron Parent also spent five weeks on site supervising the 2018 exploration program.
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.	• There is a high level of confidence in the geological interpretation, especially in areas of the resource that have been included in the reserves. • Stratigraphic sequence is well understood, and correlations are relatively straightforward: the current interpretation has modified the seam nomenclature in places. • Structure and faulting are commonly shallow dipping with predominantly normal faulting up to 100m displacement. Local thrust faulting is observed in the Goathorn area. • Limits of the deposits need to be better defined, since some of the sub-crop or structurally controlled boundaries have not been fully defined. • No alternative interpretations are considered as the current interpretation is well supported by available data. • The geological model is a thickness model, whose data is composited from drillhole seam intersections and confirmed by geophysical log intercepts.

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Criteria	JORC Code Explanation	Commentary
		• The coal quality parameters do not affect the quantity of coal, but the recovery and generation of a suitable saleable coal product.
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 Tenas Deposit/Project is approximately 3 km north-south by 2 km east-west, reaching a maximum depth of 400 m for the lowermost 1Le Seam. • Goathorn East is 5 km by 2 km reaching a maximum depth of 650 m for lowermost 1 Seam. • Goathorn West is 1.5 km by 800 m reaching a maximum depth of 300 m lowermost 1 Seam. • Telkwa North is 1.6 km by 3.6 km reaching a maximum depth of 300 m for the lowermost 2 Seam.
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.	• Coal quality and seam thickness parameters were estimated using inverse distance squared within the seam wireframes which control the distribution of interpolated values in 3D. • The model is of the coal seams only and the interburden has been modelled by default but to sufficient detail to assist with mine rock characterization and mine rock management. • The current resource estimate is comparable with previous resource estimates completed in 1989, 1997, and 2015. • Sulphur (total, organic, inorganic, and sulphate) have been interpolated in the model where data was available. • The model block size ranges from 5 to 25 m along strike (Tenas and Telkwa North are rotated), 5 to 10 m down dip and 5 m in height. • Average drillhole spacing for Tenas is 110 m, 125 m for Goathorn and 135 m for Telkwa North. The average core

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	• Estimation of deleterious elements or other non-grade variables of economic significance (e.g., 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.	hole spacing (with quality data) is 237 m in Tenas, 157 m in Telkwa North and 173 m in Goathorn.
Estimation and modelling techniques (continued)	• 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.	• A key assumption utilized in the resource estimate was the relationship between ash content on an air-dried basis and bulk density used for conversion of volume to tonnes using the formula 1.2713+0.0092*ash% (adb), which was developed from the relationship between ash and bulk density presented in GSC Paper 88-21. • The geological interpretation is based on the "stacking" of seam bottoms along 25 m spaced cross sections from the lowermost seam upward. • The main validation method used was a comparison between wireframe solids volume and volume generated from the 3D block model after coding. • The model accurately represents the drilled seam true thicknesses to +/- 0.1 m at a given XY location. The elevations may vary up to 3 m at any drillhole intercept. This is due to the sectional nature of the modelling process, projecting all seam intersections a maximum of 12.5 m to the nearest cross section.
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 estimated on an air-dried basis, while the moisture content measurements are available within the coal quality testing results.

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Criteria	JORC Code Explanation	Commentary
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• All coal quality parameters modelled were on an air-dried basis. • To assist in developing the coal reserves, coal yields were based on washability testing at a cut-point of 1.65 g/cc. • Saleable coal moisture objective of the process will be 10.00% with a target saleable coal at the port at 11% moisture.
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.	• Minimum mineable coal ply thickness = 0.80 m for Tenas, Goathorn, and Telkwa North Deposits. • Maximum included parting thickness = 0.30 m for Tenas and 0.50 m for Goathorn and Telkwa North Deposits. • Minimum coal:rock ratio = 2:1. • The resources are all considered potentially surface mineable and restricted to a 20:1 BCM:in place coal tonne (INPt) cut-off strip ratio depth. Despite there being previous underground mining on the property, no underground resources are considered currently for this table.
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	• Metallurgical amenability was simulated from test work using industry standard models for coal beneficiation. • Ash content of dilution is assumed 80%, sizing of Ash is like sizing of coal and with a density of 2.50 g/cc. This was based off results of the bulk sample completed in 1996 which used completed dilution analysis.

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Criteria	JORC Code Explanation	Commentary
	explanation of the basis of the metallurgical assumptions made.	
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.	• Potential for ARD was studied extensively in the 1990s to support feasibility studies and environmental assessments. • The Property hosts both non-PAG and PAG seam interburden and overburden rock. The Tenas, Goathorn and Telkwa North Deposits have been characterized to estimate non-PAG and PAG rock in each phase. • The ratio of NP to MPA, NPR was used as the basis for classifying each interburden and the overburden zone as non- PAG or PAG. Much of the rock is non-PAG while all the overburden material and material excavated in the management ponds is non-PAG. • Methods used to estimate NP and MPA in the 1990s are different from those used currently and to varying degrees over-estimate both NP and MPA resulting in uncertainty in the threshold NPR used to delineate PAG and non-PAG strata. Based on the exploration program conducted in 2018, modern testing methods were used to measure NP and MPA and allowed the historical data to be correlated to modern values which allowed a reduction in the amount of uncertainty in NP and MPA values and which threshold NPR value to use. • The ratio selected to define PAG rock is NPR<2.0 which still allows for the uncertainty in NP. A lower value may be suitable as understanding of the mineralogical characteristics of the rock improves. • To assign estimated volumes to non-PAG or PAG, the samples within each phase and seam interburden /

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Criteria	JORC Code Explanation	Commentary
		overburden were binned into two NPR groups, <2.0, and >2.0. • The intent of the mine plan was to schedule and place all PAG rock into designated management ponds that are flooded with water to prevent rock oxidation and acid generation. • There is no Tailings Management Facility. Both coarse and fine processed rock will be placed in designated surface storage piles, and periodically capped with compacted overburden covers to prevent acid rock drainage. • A flocculation system will be used for water prior to discharge to meet regulatory requirements for total suspended solids. • Further optimization of PAG management including blending PAG rock into non-PAG rock and /or using a lower cut off to segregate PAG rock from non-PAG rock should be investigated in the operations phase of the Telkwa Coal Project.
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.	• The bulk density (BD) was assumed based on an empirical relationship with the air-dried ash for high volatile bituminous coal. This empirical formula was extracted from Table 1 of Geological Survey of Canada Paper 88-21: BD (adb) = 1.2713 + 0.0092 x ASH (adb)

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Criteria	JORC Code Explanation	Commentary
	• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e., 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 classification is based on an assessment of the geological (seam thickness) and coal quality continuity. • This has then been summarized using the distance from nearest acceptable data point (drillhole) for coal seam thickness identification and an assessment of the confidence in coal seam continuity / correlation. • The drillhole spacing and continuities are considered appropriate to define Measured, Indicated and Inferred Resources on the following basis: o Measured = within 75 m of drillhole utilized in the model (that is holes identified as appropriate for use in the current resource estimate) o Indicated = 75 m to 150 m of drillhole o Inferred = 150 m to 300 m of drillhole • The surface resources (those resources considered to have prospects to be open pit mineable) are restricted to within a 20:1 Cut Off Strip Ratio BCM/INPt from surface, which is considered reasonable for coal of this type.
Audits or reviews.	• The results of any audits or reviews of Mineral Resource estimates.	• Peer review by SRK personnel was conducted on the geological interpretation. No external audit or review of the resource estimate for this model was conducted. The resource estimates are like those from previous studies performed with the same data and any differences are not deemed to be material.

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Criteria	JORC Code Explanation	Commentary
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 resources estimates are assumed to be within +/- 10% to 15% on a global basis (or over an assumed annual mining volume) and this accuracy is considered appropriate for the classification classes of Indicated and Measured Coal Resources, and appropriate to support at least a FS level of study and reserves assessment.

Section 4 – Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.	• The Tenas Deposit/Project resource estimate was conducted following the guidelines of the JORC Code (2012) by SRK Consulting (Canada) Ltd. and reported in

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Criteria	JORC Code Explanation	Commentary
conversion to Ore Reserves	• Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	June 2017. The Tenas Deposit/Project resource estimate was updated and reported by TCL in October 2018. • The Mineral Resources are inclusive of the Ore Reserves.
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 for the Ore Reserves estimation is Bob McCarthy. Mr. McCarthy visited the site on April 11, 2017, along with then Allegiance/Telkwa Coal personnel. • The visit consisted of an aerial tour via helicopter and a ground tour on accessible roads. The core storage facility was observed as well as several outcrops and water courses.
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 conducted and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• TCL completed two prefeasibility studies on the Telkwa Coal Project in 2017 which included the Tenas, Goathorn and Telkwa North Deposits. • The Ore Reserves for the Tenas, Goathorn and Telkwa North Deposits were reported in conjunction with those studies in June and September 2017. • In 2019, An updated ore reserves estimate for the Tenas Deposit/Project was based upon a feasibility level study where geological confidence was sufficient and mine planning was completed to a level required to determine technical and economic viability. Modifying factors considered material to the development and economic extraction of the coal resource were considered. • In 2025 (current), the economics of the Tenas Deposit/Project have been re-visited, including validating the ore reserves and updating the costs and revenues for the Project.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to	• The Tenas Deposit/Project uses a combination truck and shovel open cut mining as well as dozer pushing to execute

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Criteria	JORC Code Explanation	Commentary
	convert the Mineral Resource to an Ore Reserve (i.e., 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 (e.g., 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 way Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	an up-dip mining method for areas of shallower dipping coal seam (<22°). At steeper dips (three of the nine phases), more conventional bench mining of mine rock and coal is performed. • The 2019 basis of design was a Lerchs-Grossman economic pit optimization combined with a cut-off strip ratio analysis to determine the ultimate pit limits. The ultimate pit shell was then developed into a detailed pit design and broken into practical pit phases and mining cuts. • In 2025, the economics of the cut-off strip ratio analysis were reviewed, and it was determined that the incremental cut-off strip ratio had increased, and thus, the 2019 reserves pit was still economic. • Conventional mobile equipment (excavators and haul trucks) is used for overburden and mine rock mining. Non-PAG interburden is dozer pushed on to mined out footwalls whenever possible. • For the Tenas Deposit/Project, water management ponds are excavated to allow sub-aqueous storage of PAG rock hauled from the pit. • Coal loss and dilution were modelled as skins on the hanging wall and footwall of each seam. The total dilution skin thickness was 15 cm for recoverable seams except where through-seam blasting was involved, incurring 25 cm dilution per seam. The coal loss thickness was 10 cm per seam except for through-seam blasting where it was 20 cm. • The minimum minable seam thickness for mining was set at 0.80 m.

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Criteria	JORC Code Explanation	Commentary
		• Pit slope criteria were updated by SRK as part of the 2019 FS for Tenas and were largely driven by the slope of the bedding seams in each sector of the pit. Many pit walls are simply footwalls daylighting into the overburden and topography. Where high wall benching is required, the bench face angles are determined by the slope of the bedding plane and 8 m benches are required over a maximum height of 45 m. Thus, pit slopes vary between 35-60 degrees. Pit slopes in areas with identified faults that reduce the rock mass strength were adjusted appropriately. • Coal resources with limited geological certainty are classified as Inferred and cannot be converted to coal reserves. Thus, any Inferred coal resources are considered as mine rock in this study, and there are no Inferred resources included in the production schedule or coal reserves estimate. The Tenas Deposit/Project has no Inferred resources. • The updated 2025 financial evaluation of the 2019 mine plan is sufficient to support economic viability of the coal reserve. • The primary infrastructure required for the development of the open cuts at Telkwa are water containment and management facilities. Numerous channels are required for both containing contact water and diverting some non-contact water from the mining areas. Contact water is collected in sedimentation ponds before discharge.
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.	• The process flowsheet is a traditional two-circuit approach with customized equipment sizing to allow for nominal throughput for this specific coal.

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Criteria	JORC Code Explanation	Commentary
	• Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the 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?	• All metallurgical processes and technology have been used extensively within the coal industry worldwide. • Test work to date was completed under Australian Standard methods at the time of the test work and is suitable for this level of study. • It has been assumed that the organic liquids used for float-sink have no effect on the coal properties. • Two bulk samples have been completed in the past with one pilot scale test work being completed. Pilot test work was completed on a 19 x 0 mm size fraction using a DSM heavy media cone for 19 x 0.6 mm and two-stage spiral/water only cyclone for below 0.6 mm fraction. Due to the test work practices this pilot wash was not suitable for use as a framework for this study and the results were not used in the analysis. • A further coal quality and washability program was completed in 2018 using current lab techniques and a bulk sample wash was performed by SGS at their Lakefield lab located in Ontario, Canada. • 1998, 1996 bulk samples and 2018 test work were used in the process simulations, and it is believed from these results that the coal is fairly homogeneous within seams. • The current proposed plant will produce a saleable coal product which is of marketable specification
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	• For geochemistry data, refer to section titled “Environmental factors or assumptions. • Existing data on background surface and ground water quality and flow has allowed for the development of a conceptual site water balance and preliminary water

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	status of approvals for process residue storage and waste dumps should be reported.	quality modelling. These have since been revised to a detailed site water balance and final water quality modelling for submission of regulatory applications. • The results indicate that due to background levels already exceeding BC Water Quality Guidelines (BCWQG) that site-specific water quality objectives might be required for some parameters. • If necessary, a water treatment plant may need to be introduced for the co-precipitation of elements.
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.	• The Tenas Deposit/Project is located to nearby towns of Smithers, Telkwa, and Houston for the supply and accommodation of labour. • The site is currently serviced by a Forestry Service Road and current topography will allow the construction of a dedicated coal haul road between the rail and the proposed plant site. • The proposed plant site will be on crown land with a coal license owned by the proponent. • The Telkwa site is served by the following infrastructure for the development: • A 138-kV power line to the east and a 25-kV powerline to the north of the property. • A high-capacity main rail line owned and operated by CN rail, which is already in use for the transport of coal unit trains, is approximately 7 kilometers east of the property. Initial discussion between Telkwa Mining, and CN rail have occurred, and CN has agreed that the rail capacity is sufficient for this Project.

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		• The port of Prince Rupert is located 375 km to the west and has sufficient capacity for this Project.
Costs	• The derivation of, 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 derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products. • 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 specification, etc. • The allowances made for royalties payable, both Government and private.	• The 2025 costing of the Tenas Deposit/Project continues to assume an owner-operated approach, wherein, all infrastructure and equipment is leased or purchased by TML and operated by TML. • Costs are developed from first principles wherever possible, utilizing inputs from engineering firms and vendors. The designs upon which these costs are based are to feasibility / class 3 level. • Engineering work has been undertaken to establish the capital cost requirement for the Project, including the mine, processing plant, rail, and roads, as well as other supporting infrastructure. • Capital costs for the Project are supported by work by: o SRK Consulting – mining, geochemistry, water management, hydrogeology o Sedgman –process plant o Hooper Engineering and Morch Engineering Inc. – rail infrastructure o Magna IV – powerline and substation construction • Operating costs are based on work by: o SRK Consulting – all mining costs inclusive of mobile equipment, support services and labour o SRK Consulting – water management o Sedgman – processing and coal handling

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Criteria	JORC Code Explanation	Commentary
		○ TML – site general & administrative costs ○ Hooper Engineering –rail ○ IEG – reclamation
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals, and co-products.	• TML plans to produce a mid-volatile semi-soft coking quality coal at a nominal rate of 750,000 salable coal tonnes per annum. • Mid-volatile semi-coking coals are scarce in supply and are priced at a premium to the more common high-volatile semi- coking coals. • Commodity pricing for the Project was advised by TML based on publicly available information. • An average price of US$177/t of saleable coal (after quality discount) was assumed for the Tenas Deposit/Project over the life of the Operation Phase. • An exchange rate of 1.43 CA$:US$ was applied to calculate the revenue. • Private royalty to Altius Mineral was applied at a rate of 3.0% on revenue. • No sales and marketing costs were included in the cash flow.
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.	• The demand for hard coking coal is continuing at robust levels as steel industry fundamentals remain a strong driver for seaborne coking coal imports. The current constraints to supply availability for high quality coking coals is likely to remain for the near future, since global coking coal supply is not coming on-line at a pace that will upset the current supply/demand balance. In the medium term, the biggest risk to metallurgical coal pricing lies in a

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	• 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.	possible global economic slowdown, fueled by the fear of burgeoning trade wars. • The coal to be produced at Telkwa can be classified as a medium volatile semi-soft coking coal (MV SSCC) and as such is expected to find a market in the international steel industry. • Telkwa MV SSCC is expected to be well received due to limited availability of MV SSCC on the seaborne market, in contrast to the more readily available high volatile ("HV") SSCC coals from NSW. The market should react favorably to the introduction of a new MV SSCC, not only as diversification from Australia, but also because Canadian MV SSCC supplies have largely been eliminated with the closure of the Coal Mountain operation. • Competitor coals are: o HV SSCC from Hunter Valley in NSW, Australia. o MV SSCC from Central Queensland, Australia.
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 Company prepared an after-tax economic model, monthly, to evaluate the economic viability of the Coal Reserve. • The economic model considered project revenue, freight and selling costs, royalty to Altius Minerals, capital costs, operating costs, and administrative costs. • Allowance was made in the economic model for financing the mobile fleet by way of lease. • The project economics were evaluated using a standard discounted cash flow method at a nominal mid-period discount rate of 8%. No allowance was made for inflation.

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Criteria	JORC Code Explanation	Commentary
		• The economic analysis was conducted in Canadian dollars. • Results are reported in US dollars using an exchange rate of 1.43 CAD:USD. • Based on the economic analysis, the current mine plan results in a positive post-tax NPV8% of US$269M and an IRR of 27.5%.
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• The Property is within the traditional territory of the Wet'suwet'en (OW). In April 2017, the company signed a Communication and Engagement Agreement with the OW. • Telkwa Mining signed a Project Assessment Agreement in August 2021 to allow the OW to undertake an independent assessment of the Project for the Cas Yex and Kwen Bea Yex House groups. • Telkwa Mining signed an amendment to Project Assessment Agreement in May 2024 to allow the OW to complete an independent assessment of the Project for the Cas Yex and Kwen Bea Yex House groups that was started under the 2021 agreement. • The company shares all its raw data collected by environmental monitoring with the OW, and actively involves the OW in all key decisions and developments. • The company has commenced engagement with several of the landowners, stakeholder groups and local and provincial government. A comprehensive community engagement strategy has been developed and is being implemented. • The company has engaged local community (including holding two public open houses in Telkwa), Smithers and

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Criteria	JORC Code Explanation	Commentary
		Telkwa environmental expertise to conduct the baseline data programs. • The company has established communication protocols with the Government regulators as it progresses through the environmental assessment and permitting stage.
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.	The key risks in relation to the Tenas Deposit/Project are summarized below: • Environment: The impact of mining on the environment is always an issue irrespective of the type of mine and its location. Once the government has completed its environmental effects assessment of the Project, targeted for Q1 2026, the Company will have a solid understanding of what the effects might be. • Water Management: Related to the first point of environmental impact, one area of particular concern to the Company is water management. The Project has several creeks within its vicinity which all feed into a major river system. Ensuring that the Project discharges regulatory compliant surface water back into the river system is a matter of high priority to the Company. • Acid Rock Management: The Project has some mine rock and rock separated by the coal washing process that has potential to generate acid leaching of metals when mined and exposed to air and water. The DFS assumed this rock will be permanently stored under a water cover in management ponds constructed in the first 10 years of mining. This plan will prevent oxidization of the rock which in turn will eliminate the requirement for treatment of acidic water. There is a risk that the water balance will not be positive requiring water to be pumped from a

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Criteria	JORC Code Explanation	Commentary
		watercourse to maintain the water cover, and/or active ongoing water treatment and/or lining of the management ponds. • Water Discharge Quality: The Government provides thresholds for water quality discharge. Until an effects assessment of the Project on water quality being discharged into the receiving environment is completed by the government, and which is part of the environmental assessment process, it will not be known for certain whether the treatment of water prior to discharge is required. • Permitting: There is no guarantee that the Project will be granted all permits required to operate a mine at whatever stage of planned production. Whilst British Columbia is in a Tier One country, with a very prescriptive mine permitting regime, there is always uncertainty and doubt as to whether Government ministries will support a particular mining activity. • Finance: Notwithstanding the Company's confidence in this regard, there is no guarantee that if the Project is permitted and ready for development, there will be funding available to do so. Whilst the Project is extremely low down the cost curve and can withstand a material drop in the price of coal, the volatility of commodity prices in a downward trend often dampens the interest of investors in a particular commodity, such that funding may be difficult to secure. • Coal performance: unless and until a particular coal has been assessed for its performance in a blast furnace, there

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Criteria	JORC Code Explanation	Commentary
		remains an uncertainty as to how it will perform, and this may have an impact on coal pricing.
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 Measured Mineral Resources (if any).	• Proved and probable ore reserves are declared based on the measured and indicated mineral resources contained within the pit design and scheduled in the LOM plan. • The financial analysis showed that the economics of the Tenas Deposit/Project are positive. • No probable ore reserves have been derived from measured mineral resources.
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• No external review or audits have been completed on this coal reserves estimate as of the issue date of this Table 1.
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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which 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.	• The relative accuracy and confidence level of the ore reserves estimate is inherent in the reserves' classification. • The accuracy of the reserves estimate is subject to geological data and modelling procedures to estimate the coal resources and to modifying factor assumptions for dilution and loss. The accuracy can only truly be confirmed when reconciled against actual production. While Tenas is not in production and such reconciliation is not possible, the assumptions are based on sound principles and experience from mines with similar conditions. • Modifying factors such as mining dilution, mining recovery, ROM ash and density, and coal yield have been estimated using accepted techniques.

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Criteria	JORC Code Explanation	Commentary
	• 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.	

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APPENDIX D: CONSENT LETTER, MR. RON PARENT, P.GEO.

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Fault-block Geological

Ron Parent, P. Geo.
7218 Highway 201
Lawrencetown, Nova Scotia
B0S 1M0
Email: faultblockgeological@gmail.com
Cell: (902) 579-1290

CONSENT LETTER

To whom it may concern,

I, Ron Parent, P. Geo. (APEGBC registration number 136051), do hereby give my consent to the public filing of the **2025 Updated Feasibility Study and Confirmation of Project Resources.**

After reviewing the updated information in Table 1, effective as of August 1, 2025, it is my opinion that the original information in Table 1 related to geology and resources (Sections 1 to 3) remains relevant and does not require any changes.

Dated as of the 5th of August 2025



Signature of Qualified Person

Ron Parent, P. Geo.

Print name of Qualified Person

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APPENDIX E: CONSENT LETTER, MR. ROBERT MCCARTHY, P.ENG.

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To: Telkwa Mining Limited

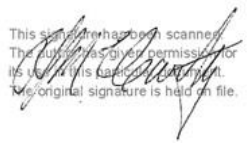
CONSENT of QUALIFIED PERSON

I, Bob McCarthy, P.Eng., do hereby consent to the public filing by Bathurst Resources Ltd. (the "**Company**") of the technical report titled "Tenas 2025 Feasibility Study Update", including Table, 1 dated September 29, 2025 with an effective date of September 29, 2025 (the "**Technical Report**").

I also consent to any extracts from, or a summary of, the these documents in the written disclosure contained in Company's news release dated September 29, 2025 (the "**News Release**").

I certify that I have read the News Release filed by the Company and that it fairly and accurately represents the information in the sections of the Technical Report for which I am responsible.

Dated this 29th day of September 2025.



Robert McCarthy, P.Eng., MBA
Principal Consultant
SRK Consulting (Canada) Inc.