About Us

TELKWA COAL LIMITED

Telkwa Coal Limited (Telkwa Coal) is a Canadian company focused on metallurgical (or steelmaking) coal projects in Canada and the United States. Our executive leadership has extensive experience with coal mining in Canada and abroad. Telkwa Coal is a fully owned subsidiary of Allegiance Coal Limited, which is based in Sydney, Australia.

Telkwa Coal is proposing to develop a surface coal mine within the Telkwa coalfield in British Columbia's northwest region. The Telkwa Coalfield contains three identified deposits – Tenas, Goathorn and Telkwa North. The pre-feasibility studies prioritized the development of the Tenas deposit. The feasibility studies underway in 2018 continue to focus on the Tenas deposit and this is why the project is called the Tenas Project.

The proposed Project's annual production could range from 240,000 to 900,000 tonnes, and the overall footprint may be between 250 and 1,000 ha subject to confirming the Project Description.

The Tenas Project and any changes to the planned activities in the future will require Wet'suwet'en, community and regulatory reviews.

Our Commitments

Health And Safety

Safety is a core value of our company. We believe that all activities can be completed with zero harm to personnel and that all incidents and injuries are preventable. We will provide resources to manage health and safety and expect all employees and contractors to share in the responsibility.

Indigenous People

We acknowledge and respect the unceded rights, title, interests, culture and aspirations of the Wet'suwet'en to 22,000 square km of traditional territory. In April 2016, we signed a Communications and Engagement Agreement as an initial, formal step in our commitment to the Wet'suwet'en.

Environment

We will ensure that our activities are responsible and protective of the environment. Our design and operational activities adhere to the mitigation hierarchy to avoid and minimize impacts, restore on-site and offset, where necessary.

Community

Integrity is fundamental to how we operate. We will engage with the community and stakeholders with the aim of ensuring the socio-economic priorities and goals are understood and addressed.

We look forward to having an open dialogue with our neighbours – working to address community questions and developing the Telkwa coalfield responsibly and respectfully.

The purpose of this open house is to understand community concerns, seek feedback on baseline studies and scope the issues that need to be assessed in Telkwa Coal's regulatory application.

Telkwa Coal's goal is to create a positive legacy through collaboration with the Wet'suwet'en and local communities to develop opportunities that will contribute to building strong, local communities.

We want to hear from the community to understand concerns and inform the Project design and mitigation measures.

Telkwa Coal has retained many local experts for environmental, socio-economic, cultural and exploration programs.

We invite you to connect with us. **Main Office:** 1415 Hankin Avenue, Suite D Telkwa, BC V0J 2X0 **Phone:** 778.643.2843 **E-mail:** info@allegiancecoal.com.au **Website:** www.allegiancecoal.com

Proposed Tenas Project

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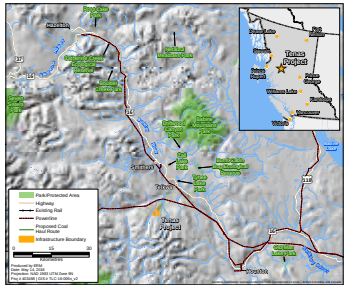
The proposed Tenas Project is located 20 km south of Smithers and 10 km southwest of Telkwa within the Bulkley Nechako Regional District. Project start-up capital expenditures are estimated at CDN$50 million and annual operating costs are estimated at CDN$20 million.

Coal mining has historically occurred in the region between 1918 and 1985. Coal produced by underground and surface mines in the area was used to heat homes and industrial buildings.



Project Construction

Construction activities will include site logging, topsoil salvage, construction of buildings, roads, rail loadout, and bridges as well as development of onsite utilities and services.

Project Operations

The proposed Project is a conventional truck and backhoe surface mine. Daytime pit operations are planned for 4 days per week (Monday to Thursday).

Coal Processing

Coal will be processed in a conventional coal processing plant as seen in other western Canadian mines. The plant will use water and gravity to separate coal from much of the rock and all the tailings. Process plant water will be reused or recycled on site.

Private water wells located in the vicinity of the Tenas Project are not expected to be affected. The maximum, temporary (during operations stage only) reduction in Tenas Creek flows (i.e., whole watershed) could be between 2 and 4%. Changes in flows in Goathorn Creek and the Telkwa and Bulkley rivers would not be measurable.

Transportation

Access to the mine will be via the existing Telkwa Coalmine Road.

Covered B-train trucks similar to logging trucks used in the region will transport the coal from the plant site to the rail loadout. This route will be determined following consultation with the Telkwa community.

The steelmaking coal will then be loaded onto railcars and shipped on the CN rail line to Prince Rupert's Ridley Terminal for export to steel mills – most likely in Asia. The Prince Rupert Ridley Terminal has sufficient capacity for the Tenas Project.

Number of Trucks*
1 loaded truck and 1 returning empty truck approximately every hour

Number of Trains*
2 trains per week (23 cars each)

** Assuming production of 240,000 tonnes per year*

Water Management

Water management is an integral part of the mine operation and closure and reclamation plans, and focuses on controlling non-contact and contact water:

Non-contact water

Non-contact water is surface water that is diverted around the active mine site in engineered ditches.

Contact water

Contact water is surface water or groundwater that comes into contact with mine workings and may pick up sediment or metals. This water is collected in ponds and suspended sediments are allowed to settle. Water that comes into contact with rocks may have higher acid generating potential (referred to as potentially acid generating, or PAG). This water is contained in a separate pond and appropriately treated.

Once settled or treated, the water is discharged into the receiving environment through a water pipeline, subject to meeting provincial permit conditions established for the Project.

A water management plan will be established and implemented for the site.

Materials Management

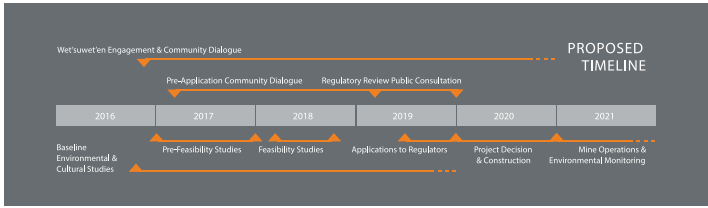
Rock and tails separated from coal during mining and processing will be returned to the pit.

Environmental Monitoring

In accordance with an Environmental Management System, environmental management and monitoring plans will be developed and implemented. Examples include air and dust, noise, aquatic effects, surface water and groundwater quality and quantity, wildlife and vegetation. Monitoring results are reported annually and updated as required.

Closure and Reclamation

At closure, site infrastructure will be decommissioned and removed from the site. Pit and material piles will be re-sloped and re-vegetated. Disturbed lands and watercourses will be reclaimed to restore the land to pre-approved land use objectives in accordance with the Mines Act and Health, Safety and Reclamation Code for Mines in BC. At this time, it is anticipated that water treatment will continue into the post-closure phase of the Project. Other acid rock drainage (ARD) management strategies are being investigated as an alternative to water treatment.



Site Layout and Geology

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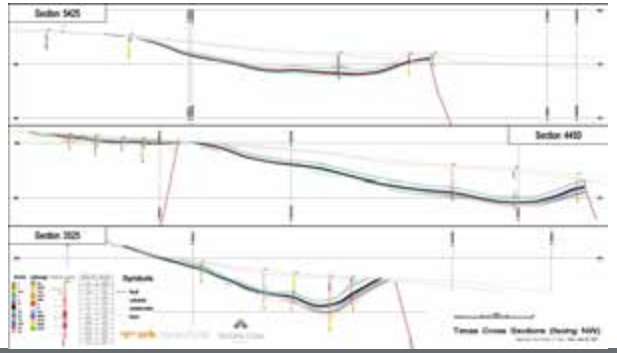
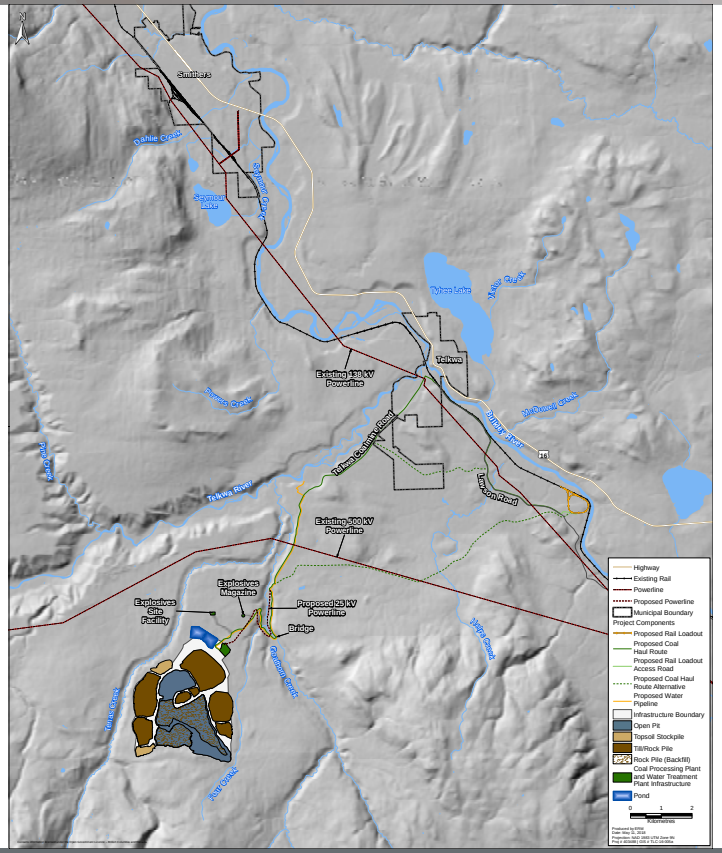
Site Layout and Proposed Project Components

Components and activities associated with the proposed Project:

- Open pit
- Topsoil, till and rock piles
- Coal processing plant
- Water treatment plant*
- Water management infrastructure
- An explosives site facility and magazine
- Administrative office and maintenance shop
- Bridge over Goathorn Creek
- Rail loadout
- A new three km 25 kV powerline and substation, connecting to the existing 25 kV BC Hydro distribution line south of the Project area
- Use of existing roads to transport coal
- Upgrades to 6 kilometres of existing Forest Service Roads

**Requirement for water treatment plant subject to additional options review*





The site and layout incorporates strategies to reduce potential environmental impacts by:

- Minimizing the mine footprint
- Minimizing the erosion of soils by surface runoff
- Locating external storage piles on flat terrain in areas of existing cleared or disturbed areas
- Use of existing transportation and utility networks
- Backfilling the pit to support progressive mine reclamation

Geology

The Project is located in the southwestern corner of the Telkwa Coalfield. The Telkwa Coalfield extends for approximately 50 kilometres in a north-south direction adjacent to both sides of the Bulkley River.

According to government sources, there is approximately 900 million tonnes of coal present in this coalfield. Telkwa Coal has identified 63 million tonnes of coal reserves which can be economically recovered by surface mining from the Telkwa Coalfield. The Tenas area represents roughly 30 million tonnes of surface recoverable coal while the Tenas Project will only recover a portion of this coal.

Extensive geological studies and exploration drilling provide us with important information about the geology in the Tenas Project area, including:

- The number, thickness, steepness and quality of the coal seams
- The nature of all material between the coal seams, called "interburden"
- The nature of all material above the first coal seam, called "overburden"

Historically, the Telkwa coalfield has been mined for thermal coal; however, it also contains high quality coal, suitable for use by the steelmaking industry. Within the Tenas Project area, there are 13 shallow-lying coal seams, of which 3 are economically recoverable and range from 10 centimetres to 12 metres in thickness. In between and above the coal seams, there are layers of mudstone, siltstone, sandstone and other types of rock.

Metallurgical or Steelmaking Coal and the Production of Steel

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Coal mining is an important part of BC's economy, generating billions of dollars in revenue and supporting thousands of jobs. BC is one of the largest exporters of steelmaking or metallurgical coal in the world.

The majority (~ 90 %) of the coal produced in BC is metallurgical coal, which is used to make steel. The province also produces thermal coal, which is used to generate electricity and for other industrial uses, such as cement production.

Metallurgical coal is required to produce steel. There is no commercial substitute for coal in the steel production process. Approximately 750 kg of steelmaking coal is used to produce one tonne of steel and the steel used in an average car contains 650 kg of steelmaking coal.

Steel is an important engineering and construction material, making it a fundamental part of quality of life. Steel is part of a low carbon future, and is used in wind turbines, hybrid cars and solar panels.

Steel is critical to the industrialisation of a country and the alleviation of poverty. In fact, often a country's development is measured by the tonnes of steel per capita that a country produces.

Coal

Before processing, coal is reduced to coke.

Steelmaking

Iron Ore

70% of steel is produced using the blast furnace process while 30% is produced by the electric arc furnace (EAF) process. EAF uses scrap metal, while the blast furnace method uses coal to produce pig iron and steel through the reduction of iron ore.

Steel

World steel production was more than 1,690 million tonnes in 2017.

Steel is delivered as coils, plates, sections or bars.

Project Benefits, Indigenous Peoples and Community Engagement

Local Employment and Project Benefits

Telkwa Coal Limited (Telkwa Coal) is committed to creating long-term, sustainable economic and community benefits for the region. Economic benefits to local communities include:

- Retaining more than 40 experts from Telkwa, Smithers and the Bulkley-Nechako region for environmental, socio-economic, cultural and exploration programs
- Direct employment of 40 to 50 people over the 40-year mine life
- Indirect employment (e.g., contracting)

The Project will provide revenues to federal, provincial and local governments, which support community services and infrastructure. Project start-up capital expenditures are estimated at CDN$50 million and annual operating costs are estimated at CDN$20 million, with estimated federal and provincial taxes of CDN$3.5 million per year.

The Project has been designed to be a cost-effective operation to withstand market volatility of coal prices, which will provide a steady source of local employment.

Indigenous Peoples

Telkwa Coal recognises and respects the unceded rights, title, interests, culture and aspirations of the Wet'suwet'en to a 22,000 square km of traditional territory where the Tenas Project is located.

In 2017, Telkwa Coal signed a Communications and Engagement Agreement as an initial, formal step in our commitment to the Wet'suwet'en. We will continue to engage with the Office of the Wet'suwet'en (OW) in respect of all Project activities.

Community Engagement

Telkwa Coal is committed to engaging with local communities with the aim of addressing their priorities within the overall project plan.

The closest communities to the proposed Project are Telkwa and Smithers.

Our engagement with local communities in the area has resulted in:

- Establishing a community office in Telkwa. The office has an "open door policy" and community members are encouraged to drop in
- Employment of long-time residents of the Bulkley-Nechako region
- Hiring of local residents to support environmental, socio-economic, cultural and exploration programs
- Presentations and consultation with the Mayor and Council of Telkwa, and the Mayor and Council of Smithers
- Meetings and neighborhood information sessions to provide information and seek input on the proposed Project

The next community open house is planned for the Fall of 2018, with additional open houses planned for 2019.

TENAS PROJECT

Baseline Data Collection Program

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Telkwa Coal Limited is undertaking geology, environmental, socio-economic and cultural baseline studies, which will build on historical data that has been collected in the Project area and at the site. Baseline studies will inform the final Project Description, effects assessments and mitigation measures in Telkwa Coal's regulatory application.

Existing Historic Information

- Meteorological data from regional stations
- Data from four hydrology stations
- Geology, geotechnical, terrain stability, soils and terrain site mapping
- Site and regional water quality data collected between the 1970s and the 1990s
- Geochemistry dataset with over 700 samples
- Wildlife surveys and habitat mapping
- Fish and aquatics sampling
- Archaeological overview and impact assessment of the site and a heritage resources inventory

Bulkley River

Grizzly bear with cubs

Secondary road in Project area

Insect sampling at the rail loadout site

The current baseline program began in late 2016 with groundwater sampling. The bulk of the program was executed in 2017 with additional programs in 2018 to prepare Telkwa Coal's regulatory application. Water quality, hydrometric and atmospheric monitoring will continue.

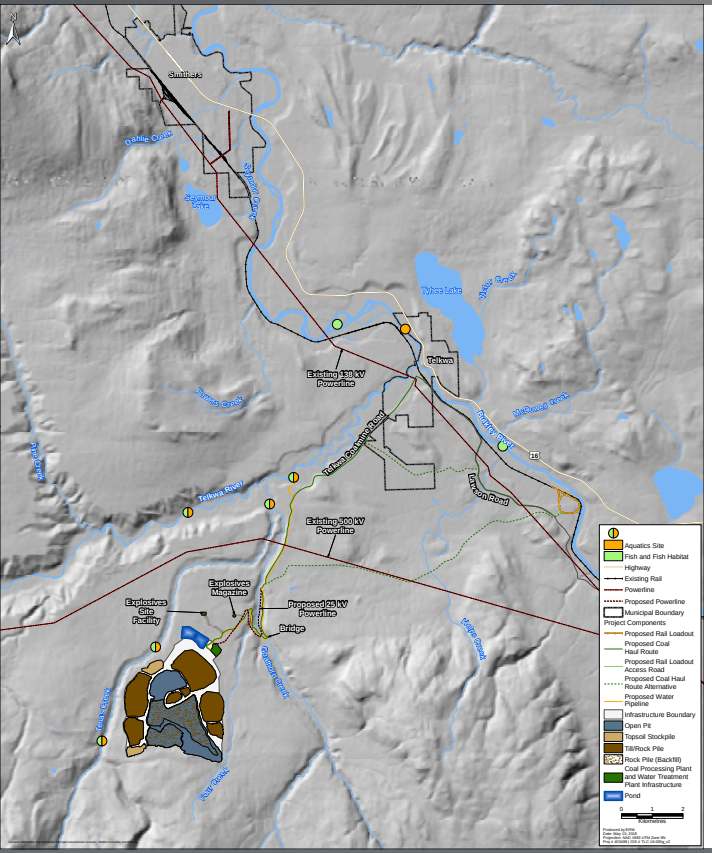
Baseline Program Objectives

- Fill in temporal or spatial gaps and augment existing site information
- Meet current provincial data collection and survey standards

Baseline Programs

- Meteorology, Air Quality and Noise
- Geochemistry and Hydrogeology
- Groundwater and Surface Water Quality and Quantity (Hydrology)
- Fish and Aquatic Resources
- Ecosystems and Vegetation
- Geology, Geotechnical, Terrain, Soils and Natural Hazards
- Wildlife
- Cultural Use and Archaeology
- Socio-Economic and Land Use

Fish and Aquatic Resources



Sampling sites to collect fish (7) and aquatic resources (6) data have been established on Goathorn Creek, Tenas Creek, Telkwa River and the Bulkley River. An additional trip for fish and fish habitat will be conducted to repeat sampling at the existing sites, sample sites on tributary streams in these watersheds, and establish a 7th aquatic resources site.

Objectives of the fish and aquatic resources effects baseline program are to:

- Understand sediment quality for evaluating the suitability of the habitat and setting protection and management strategies for the habitat
- Identify and understand aquatic communities in areas near proposed Project activities
- Confirm and identify fish presence and habitat use near proposed Project activities so impacts on fish and fish habitat can be avoided or minimized
- Understand fish health and measure existing metal concentrations in tissues of fish in areas near proposed Project activities
- Identify and understand important habitat areas, such as fish spawning areas
- Inform the Aquatic Effects Monitoring Plan

The fish and aquatic resources baseline program will incorporate historical information with respect to the types and presence of fish and aquatic resources in watercourses in the Project area. Relevant historic aquatic resources data is available for the years 1987-1990, and intermittently from 2000-2016, and there is historical fish species presence data for all four watercourses.

Juvenile longnose sucker from the Bulkley River

Example of Hannaea arcus (400x)

Streambed rock size samples

Surface Water

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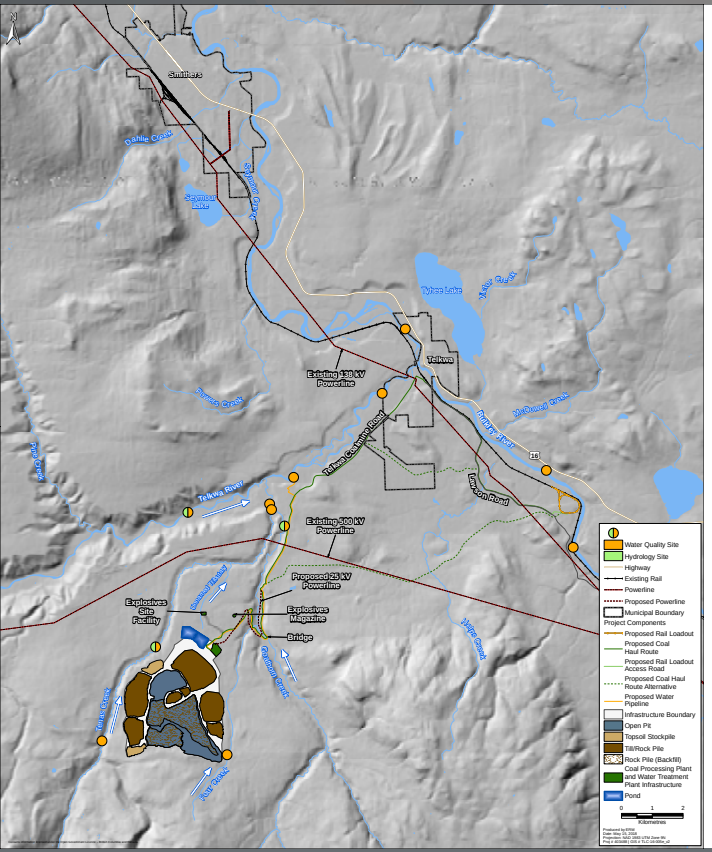


Surface Water Quality and Surface Water Quantity (Hydrology)

The proposed Project is located in the Tenas and Goathorn watersheds that flow into the Telkwa River and Bulkley River.

Three (3) hydrometric stations were installed in May 2017. The hydrometric stations were gauged at a monthly interval from May 2017 to March 2018 and supplemented with water quality sampling from May 2017 to April 2018 for an additional 9 monitoring sites (total of 12 water quality monitoring sites); see accompanying map.

The surface water quality and hydrology baseline data will augment historic data from 4 long-term hydrology stations as well as site and regional water quality data, collected between the 1970s and the 1990s.

The surface water quality and hydrology baseline program will be used to characterize water chemistry and water flows, provide inputs to the water quality model, and inform the assessments in relation to fish and aquatic resources, wildlife, and Indigenous and non-traditional land use.

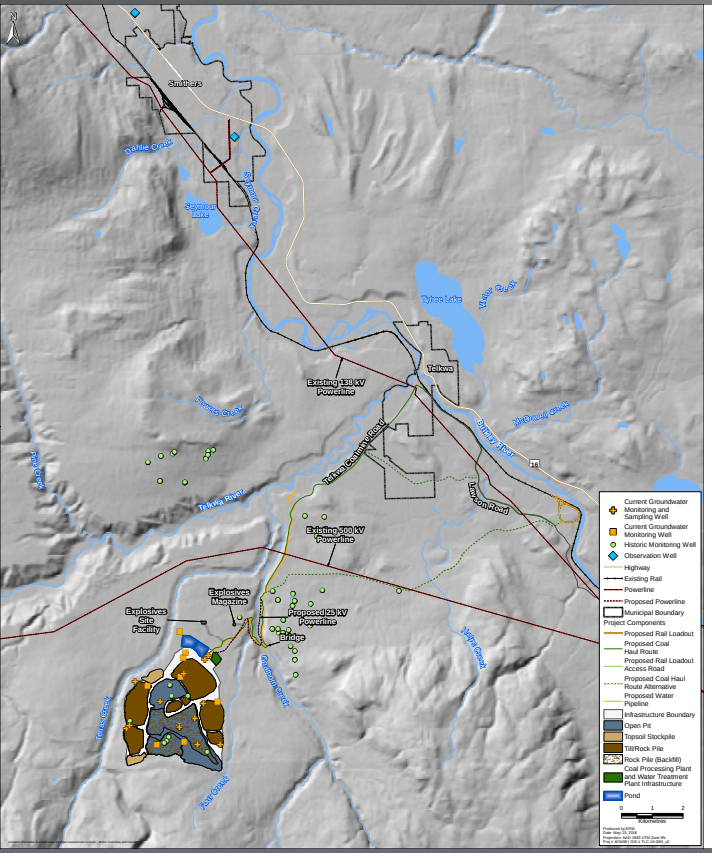
Installing a hydrometric monitoring station on the Telkwa River

Hydrometric monitoring station on the Telkwa River

TENAS PROJECT

Geochemistry, Hydrogeology and Metal Leaching/Acid Rock Drainage

TELKWA COAL LIMITED



Geochemistry and Hydrogeology

The baseline geochemical program focuses on understanding the chemical composition of materials to be mined (e.g., waste rock, coarse coal rejects, etc.). This information is important to understand the potential of these materials to release acid and metals. The results of the geochemical characterization will provide input into waste and water management planning, as well as to inform closure and reclamation planning.

A robust geochemical characterization program was previously completed for the Tenas deposit. It included:

- Approximately 700 acid base accounting samples
- 12 humidity cell and two column tests

This testing occurred in the 1990s. Additional samples were collected in February 2018 to correlate the previous geochemical testing results with current methods and to provide selenium data.

The hydrogeological baseline program focuses on the quality, distribution and movement of groundwater, which will provide input into the mine design, including site layout, and waste rock and water management.

The geochemistry and hydrogeological baseline information will incorporate historical information, such as groundwater quality data from over 20 groundwater wells collected between 1995 and 2018.

An overview of the ongoing baseline hydrogeological program includes:

- Well condition inspection of all historical wells
- Installation of 6 additional monitoring wells
- Observation of groundwater levels and 12 groundwater sampling wells, including historical and new wells
- Investigation along the Tenas and Goathorn creeks to identify springs and seeps
- Maintaining a database of potentially acid generating (PAG) rock and its location

Management of Acid Rock Drainage and Metal Leaching

Acid rock drainage (ARD) can occur when minerals containing sulphide are exposed to oxygen and water. Sulphide minerals can breakdown, producing acidity and increased concentrations of chemicals in the water. This process is called metal leaching, noting acid conditions are not needed for leaching of some chemicals.

Understanding the leaching potential for a mining project is important so that waste and water management plans can be developed to stop impacted water from entering the environment.

The mining industry has developed best practices for evaluating and mitigating leaching potential (e.g., MEND 2009, INAP 2009). Prevention and management of potential for leaching is part of the mine design. Best practices are applied to prevent or treat affected drainage and protect the environment. The federal and provincial governments provide guidance documents on characterizing and managing leaching potential.

Geochemical testing of the waste rock samples from the Tenas deposit indicated that mitigation will be required to minimize leaching potential at the Project. Potential controls and mitigation measures that may be implemented to manage PAG rock at the Tenas Project include:

- Mixing of PAG and non-PAG waste rock
- Segregating PAG waste rock for underwater storage to minimize exposure to air
- Water treatment as required to meet permit conditions established for the Project

Potential for metal leaching and acid rock drainage is considered at every stage of development, operation and reclamation of the project by ensuring mined materials are characterized and proactive measures to protect water quality are included in the design.

About Selenium

About Selenium

Selenium is a naturally-occurring element in the earth's crust and is an essential micronutrient for all living organisms, including people.

It exists in various quantities and in different chemical forms in the soil in different areas of the world. The organic form is of most interest when we consider our local environment.

While selenium is essential in small amounts to all organisms (including humans, animals and plants), the organic form can also be harmful in large amounts, in particular, for egg-laying animals such as: birds, fish and amphibians.

Selenium and Mining

All rock contains natural chemical elements, and a variety of metals and non-metals (including selenium).

Selenium containing minerals can be exposed during coal and metal mining because the surface area of the rock increases as the rock is crushed and processed. As water flows over the rock and/or the rock is exposed to oxygen, it becomes more easily dissolved in water, and therefore more available to the organisms.

Importance of Understanding Selenium

When selenium - in its inorganic form - enters the water, it can be absorbed by the smallest organisms (**algae** in flowing waters or reservoirs, lakes and wetlands). Those algae are in turn consumed by small **invertebrates**, which are in turn consumed by **fish** and **aquatic birds**. At each stage of the food chain, selenium increases in quantity. This is referred to as bioaccumulation.

If selenium reaches the highest stage of the food chain, it can - under certain conditions - impact egg-laying animals, but mainly it is the offspring of adults that are exposed.

We pay close attention to any substance that has the potential to cause harm to animals, plants and humans.

Evaluating Water Quality and Keeping the Environment Safe

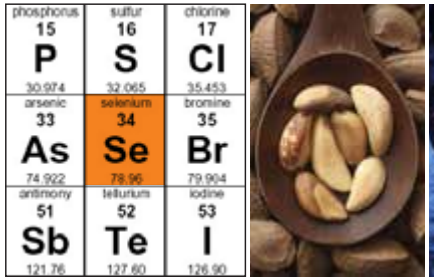
When assessing water quality, we start by establishing the magnitude of background levels of chemical elements, which occur naturally in organisms, minerals and other matter within the waters downstream of a mine.

To date, no samples in the baseline studies have exceeded provincial environmental quality guidelines. Baseline study samples include:

- 24 groundwater samples
- 150 surface water samples
- 21 sediment samples
- 56 fish tissue samples

Once we have determined what future potential levels may be, and what potential affects may occur due to the mining activity, if any, we may have to develop a selenium management plan that will need government approval. The plan would include either applying mitigation measures or establishing treatment systems on-site to reduce levels to those set by government.

Like all mine operations, Telkwa Coal is obligated to stay within the limits set by government.



Selenium: position in the Periodic Table

Food containing selenium (Brazil nuts)

Selenium occurs naturally in rock

Control Strategies

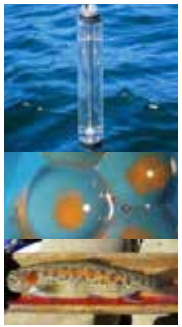
Based on an understanding of the mineral characteristics of the rock that we will mine, combined with how the mining process changes those characteristics, we are currently studying the anticipated levels of selenium. This will help us to understand the mitigation measures or treatment systems that may need to be used, if any.

Control strategies include:

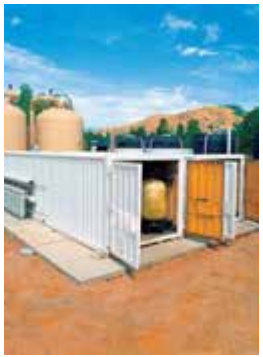
- Placing waste in configurations that minimize exposure to oxygen
- Minimizing contact water
- Placing waste to ensure capture of water and the ability to treat if needed

Development of any necessary mitigation measures and treatment systems will be included in our environmental assessment and permit applications.

Selenium bioaccumulates through the food chain



Measuring baseline selenium levels: water, fish tissue (eggs, muscle, whole body).



Water treatment system example

TENAS PROJECT

Meteorology, Air Quality and Noise

TELKWA COAL LIMITED

Meteorological (weather and rainfall) monitoring station

Noise monitoring station

Meteorology

A meteorological station has been installed in the Project area to collect wind, air temperature and humidity, precipitation, snow depth, solar radiation and barometric pressure data. Regional data is also being used from meteorological stations at the Smithers Airport and in Telkwa, and manual snow course survey data is being used from a station on Hudson Bay Mountain. Data from one of the Smithers Airport stations is available starting from 1942.

Project specific meteorological and climate data inform a wide variety of resource studies, such as water resources and air quality studies. Data also informs Project planning and future operational and closure activities, such as mine construction, operation and closure design, road maintenance, and water and air quality management.

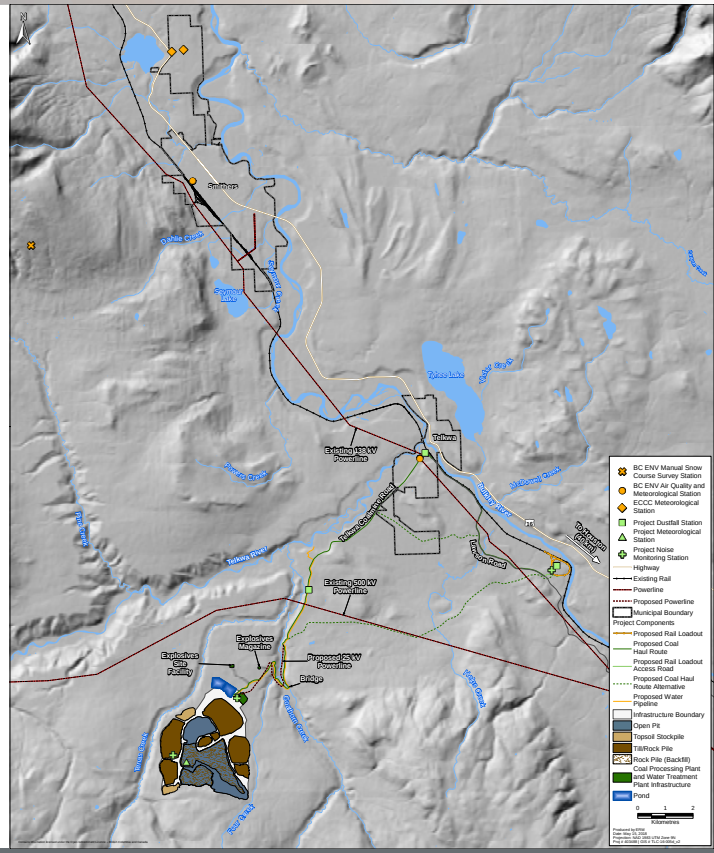
Air Quality

Although not a regulatory requirement, three dustfall stations have been established to collect air quality samples, as we expect this to be of interest to the community. The dustfall locations are shown on the accompanying map and include the proposed rail loadout, the Telkwa Weather Station and the Kerr Farm.

The air quality model will incorporate historical air quality monitoring data that is available from provincial government air quality monitoring stations in Smithers, Telkwa and Houston. Potential air emission sources include drilling, blasting, excavating, plant operations, haul roads and rail loadout operations.

Noise

Three noise monitoring stations have been installed at the Tenas deposit, Kerr Farm and the noise loadout. The locations are shown on the accompanying map. The results of rail modeling can inform the human health and wildlife effects assessments. Noise sources include drilling, blasting, excavating, the preparation plant and rail loadout operations, and haul trucks.



Ecosystems and Terrain

Ecosytems and Vegetation

The ecosystem and vegetation baseline program includes:

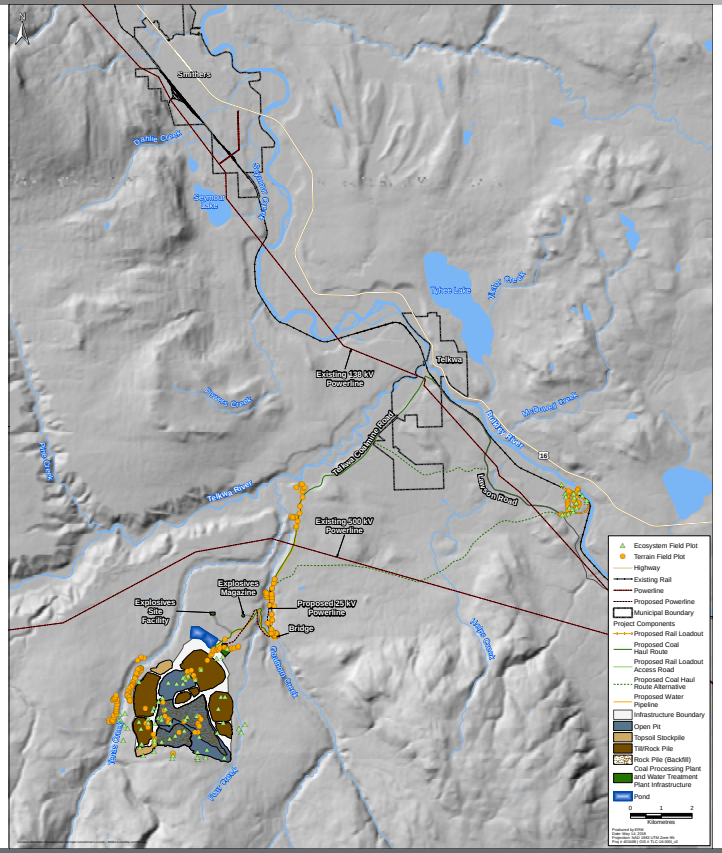
- Rare plant surveys
- Ecosystems and wetlands mapping to determine if there are sensitive ecosystems
- wetland function assessments
- Site observations at more than 170 field sites
- Compilation of site data into databases
- Collection and sampling at over 50 vegetation plot sites
- Inventory of several invasive plant species including Scotch thistle, St. John's Wort, Tansy ragwort, Meadow goat's beard and Tatarian honeysuckle
- Evaluation of timber values

The objectives of the ecosystem and vegetation program are to establish land capability and end land use objectives for the reclamation program.

The vegetation and ecosystems data will inform the wildlife habitat suitability mapping, and will be used to inform site specific management plans.

The ecosystem and vegetation baseline program will incorporate available historical information related to ecosystem mapping, terrain and soils, where that information is relevant and appropriate.

White Spruce – Devil's club site series



Terrain, Soils and Natural Hazards

The terrain and soils baseline data program includes:

- Review of terrain and soils data
- Collection of mapping data from previous assessments for mining and forestry activities
- Site observations at more than 140 terrain field sites and 80 eco-sites to collect terrain, soils and vegetation information
- Collection of more than 30 soil samples for analysis of particle size, trace metals and nutrients
- Bioterrain mapping
- Review of soils information, development of preliminary soil management unit descriptions and completion of soils mapping
- Terrain stability field sampling and terrain stability mapping

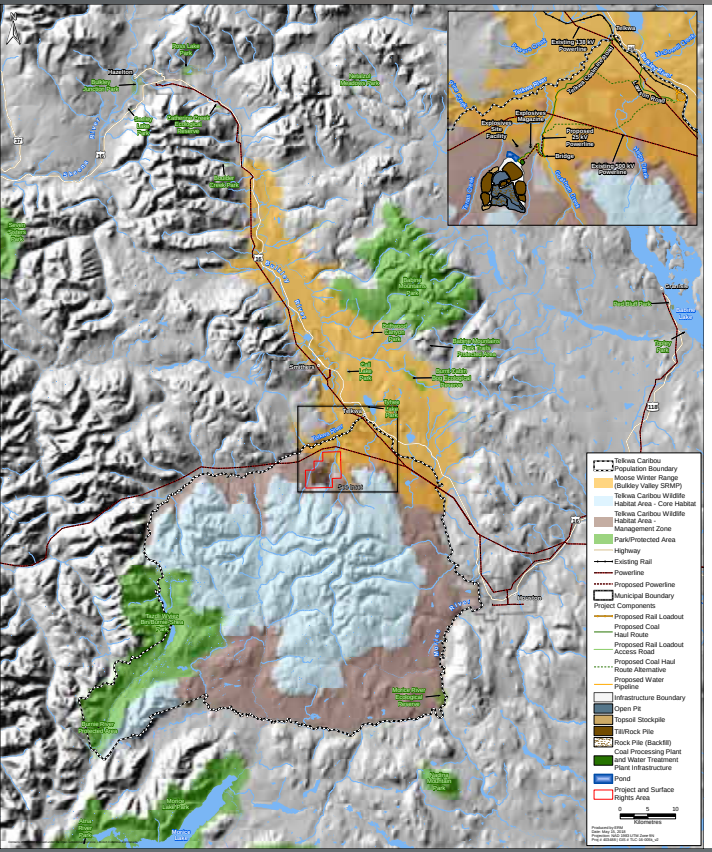
The objectives of the terrain and soils baseline program are:

- Bioterrain mapping will provide a basis for terrestrial ecosystem mapping
- Soils mapping will provide an understanding of soil texture, coarse fragment content and other factors that influence soil salvage potential for reclamation purposes
- Terrain stability mapping will identify active and past geomorphic processes, which informs project development

Calibrating soil coarse fragment content

Typical soil profile for moderately well drained glacial till in the study area

Wildlife



As part of mine planning activities, wildlife studies are conducted to understand wildlife use of the area.

Wildlife Baseline Program

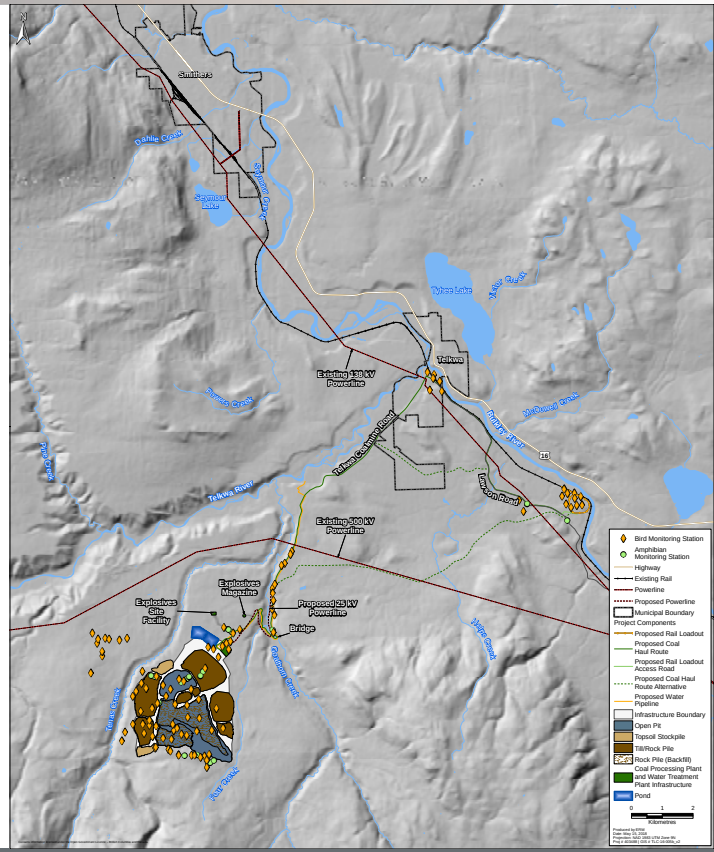
- Terrestrial invertebrate fieldwork and sampling in more than 15 areas, including the mine and rail load out area
- Amphibians and reptiles fieldwork at more than 20 field sites, focused on visual searches and water sampling
- Completion of wildlife habitat assessments in conjunction with ecosystem mapping plots to identify habitat use patterns
- Deployment of 4 automatic recording units for bats
- Bird fieldwork resulting in more than 100 point counts for breeding birds and deployment of 4 automatic recording units
- Deployment of 5 remote cameras to photograph wildlife, collecting data for five months; cameras recorded photos of several species including lynx, coyote, black bear, grizzly bear, moose, deer and wolf
- Snow tracking and review of trapping returns to identify furbearer use within the Project area

Wildlife Baseline Program Objectives

- Identify habitat use patterns for caribou, moose and elk
- Understand presence and habitat use patterns in Project area
- Develop habitat suitability models for select species

The wildlife baseline program will incorporate data from previous wildlife surveys, including surveys and radio collar data for caribou and moose, and wildlife habitat maps and wildlife habitat suitability assessment.

The majority of the Tenas Project is outside of the Bulkley Sustainable Resource Management Plan (SRMP) moose winter range, with the exception of the water pipeline that would follow the road. The proposed Project has the potential to affect 0.002 % (2.8 ha) of Core Habitat within the Telkwa Caribou Wildlife Habitat Area (WHA).



Cultural Use and Archaeology

Cultural Use

The proposed Project is located within the traditional territory of the Wet'suwet'en. Telkwa Coal is collaborating with the Wet'suwet'en to undertake a cultural use and socio-economic study to identify and understand existing social, cultural, historic and socio-economic information. This study will also identify valuable areas to the Wet'suwet'en.

This study will include:

- Engagement and planning with the Wet'suwet'en
- Review and compilation of existing cultural information
- Interviews, consultations and workshops
- Site visits and flyovers of the Project area with knowledge holders
- Culture use and land use mapping

Typical soil screening methods during archaeological assessments

Travel path example

General sample of projectile points

Archaeology

Pursuant to the BC Heritage Conservation Act, an archaeological overview assessment and archaeological impact assessment are being undertaken to assess the Project area.

The archaeological overview assessment will:

- Identify archaeological potential in the Project area
- Provide an inventory and evaluation of existing archaeological resources in the Project area
- Summarize cultural and historical background within the Project area and adjacent regions, and the environmental context of the region with attention to high cultural potential

A preliminary field reconnaissance will be undertaken to confirm identified archaeological sites.

The archaeological impact assessment (AIA) will include:

- A desktop review of ethnographic, archaeological and historical information
- Consultation with the Wet'suwet'en and individuals with knowledge of archaeological resources in area (where appropriate)
- Field investigations to identify and evaluate archaeological resources
- Development of recommendations to avoid sites or manage potential effects to cultural or archaeological resources

Historically, examples of artifacts discovered in the area include historic debris, historic culturally modified trees (1930s), obsidian bifaces (from an isolated artifact cache) and several large and small cultural depressions.

Socio-Economic and Land Use

Forestry road near Project Area

Socio-Economics

Current socio-economic data will be compiled to understand the existing conditions, including:

- Population and demographics
- Local governance and administration
- Economic profile, including labour force and industrial activity
- Employment and income
- Local businesses
- Education and training (including attainment levels, and related services)
- Health and social services, well-being and related issues
- Emergency services
- Housing, infrastructure and utilities
- Community planning and development

The baseline data will be verified through interviews with social and health service providers in the region, economic development officers, employment and training officers, business associations, chambers of commerce and non-governmental organizations/community-based organizations.

The baseline program will inform the social effects assessment, including hiring, procurement, training, and transportation and economic effects assessment.

Non-Traditional Land and Resource Use

Land and resource use data is being compiled to identify:

- Private land
- Public recreation
- Parks and protected areas
- Crown tenures such as agriculture, forestry, commercial recreation, water licences, guide outfitting, trapping, utility corridors and angling guiding
- Groundwater wells