

SUSTAINABILITY REPORT 2021



**CONUMA
RESOURCES**

AT THE HEART OF STEEL





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ABOUT CONUMA

Founded in mid-2016, Conuma Resources is a steelmaking coal producer based in Northeast British Columbia, Canada. We are an integral part of the global steel supply chain, producing high-quality steelmaking coal for leading global steelmakers. We integrate economic, environmental and social principles to create sustainable value for our employees, business partners, and the communities in which we operate.

Our mission is to safely operate and grow our steelmaking coal business to achieve leading shareholder returns while creating sustainable value for our employees, customers, business partners and communities in which we operate.

We currently operate three surface mine operations at Brule, Wolverine and Willow Creek, with a rated capacity to produce more than 5 million tonnes of high-quality steelmaking coal products annually and provide more than 1,000 direct and 3,000 indirect jobs for families in the Peace River Regional District.

Our operations and tenures in North East British Columbia («NEBC») contain some of the highest quality steelmaking coal resources available anywhere in the world. The hard coking coal («HCC») and pulverized coal injection («PCI») that we produce are sought by steel producers and coke makers in Asia, South America, and Europe. Combining this with our robust logistics chain ensures reliable and competitive delivery of our products to the global steel industry.





MESSAGE FROM THE CEO



MARCH [__] 2022

I am delighted to be presenting our first Sustainability Report here at Conuma Resources Limited. We have much to be proud of for the five and half years this business has been in operation. Since mid-2016, we have opened and successfully operated three steelmaking coal mines. We employ over 1,000 employees and 3,000 indirect support personnel. We made a real and lasting contribution to the NEBC economy, NEBC indigenous peoples and local communities, contractors and suppliers. Our robust project pipeline looks set to support the construction of the global low carbon economy for decades to come. We are excited for the future with our strong business team and culture.

Conuma was established with the vision of becoming Canada’s premier low-cost sustainable exporter of steelmaking coal. We will do this by safely operating and growing our steelmaking coal business to achieve leading shareholder returns while creating sustainable value for our employees, customers, business partners, communities and environs in which we operate.

As much as we are pleased to be publishing our first Sustainability Report, we realize that the substance and tenure of our Sustainability journey are what matters. Creating sustaining value is much more than profitably

running a mining business. It is also about generating lasting value for the communities in which we operate, providing economic and social wellbeing for our indigenous and community partners and delivering tangible benefits that last well beyond the lives of our mining operations. On that account, we will continue to hold ourselves fully accountable to both our internal and external stakeholders.

Our first and foremost responsibility is to the safety and health of our employees, our contractors, their families and loved ones. In this regard, it is pleasing to note that

our safety performance in 2021 was again exemplary, with a total recordable injury frequency rate («TRIFR») of 1.13, compared with the Mining Association of British Columbia («MABC») average of 1.67.

As much as we should celebrate safety success, we cannot drop our vigilance for one moment. With that in mind, I was glad that we managed to review and upgrade our risk management practices and response plans through 2021. As a result, we now have a comprehensive safety risk management framework that stretches across our Business.

This last year saw the continuing impacts of COVID-19 across the world. It impacted all of us at Conuma, causing numerous direct and indirect consequences. Many of our employees and stakeholders lost family members and friends to COVID-19, and our sympathies extend to all those impacted. Our operations were fortunate to incur relatively few COVID-19 impacts in 2021. Our management and operational teams did an outstanding job of early detection, isolation, tracing and remediation to ensure cases were quickly detected and impacts speedily curtailed.

At Conuma, we have always been very aware and sensitive to our operations’ impacts on the environment. We committed at the very beginning to be excellent stewards of our environment, and we remain committed as ever to sustain and improve on the standards we have set.

Climate change has rightfully become the premier global challenge we face today, and Conuma has a part to play in overcoming it. Our products all go into making steel, one of the essential commodities needed to drive a low carbon economy. We are committed to

progressively reducing our carbon footprint to support Canada’s efforts to keep global warming under 1.5°C by 2030 and continue to commit significant time and resources to do this in the most effective way possible.

As with climate, so too are our responsibilities to the water that we discharge back into the environment. Over the last two years, we have made tremendous progress in reducing effluent levels of selenium and nitrate levels through our biochemical reactors and saturated rockfills. We have become a leader in Canada with sustainable energy-efficient water treatment technology, and we continue to shoulder this responsibility knowing that we pave the way for effective and lasting water treatment solutions for many other mining operations to follow.

Our Board of Directors remains very committed to implementing and maintaining the highest ESG standards, including climate impact management. I want to thank our Directors and our shareholders for their unwavering support in our journey towards sustainability. They were entirely behind the creating and filling a Chief Sustainability Officer role for our Business in April 2021, underlining the importance we attach towards sustainability.

I also want to thank all Conuma employees, our management team and our many external stakeholders for their support, commitment and partnership in Conuma’s five-year journey since its inception in 2016. It has been a journey of many successes and challenges and great innovation, courage, and determination. I look forward to building on all of these as we move confidently into 2022 and beyond.



OUR MISSION AND VISION ON SUSTAINABILITY

We work collaboratively with industry regulators, indigenous peoples and local communities to responsibly steward our environment. We undertake all our mining operations within strict compliance standards, and our end-of-service redevelopment initiatives ensure we leave the land with as little impact as possible.

Our employees, customers and suppliers are all partners together, which means that our success as a business results from teamwork. Our diverse but closely-knit workforce is founded upon respect, and we strive to help everyone understand the importance of their role in our shared success.

We secure our sustainability by working tirelessly to avoid injuries, violations, delays, and rework while mining and processing steelmaking coal in the most efficient manner possible. This commitment benefits Conuma employees and their families, the communities in which we operate and the environment.

With significant investments in machinery and infrastructure, matched with a highly skilled operational team, we focus on reducing overburden removal while increasing throughput at all stages of extraction, processing and delivery.

As the leading producer of steelmaking coal from the Peace River Coalfields, we are actively evaluating and advancing mineral properties within our portfolio of assets. As our knowledge of these assets grows, they become part of our project pipeline, driving our future growth. Our Project Development Team is focussing on multiple expansion areas that we plan to assess extensively for resource/reserve definition, most notably the Willow Creek Extension.

In parallel with the exploration and development work, essential environmental impact and baseline studies will be advanced. We are excited about the potential of our various pipelines, and we look forward to sharing more project development news as it becomes available.



Our Business, including our mission and our strategy, are all built around our core values of:



One Conuma Strong

We are productive, resilient and enthusiastic problem solvers, working as a team to deliver outstanding results



Sustainability

We operate today and plan tomorrow in a way that sustains the health of our employees, business partners, community, and environment



Safety

We are accountable and disciplined to eliminate safety risk



Heart

We choose to be professional, respectful, and inclusive



Growth

We invest in quality, efficiency and innovation to create a profitable and predictable future



HEALTH & SAFETY

Safety

Employees				Contractors			Total		
Safety	Medical Treatment	LTI	TRIFR	Medical Treatment	LTI	TRIFR	Medical Treatment	LTI	TRIFR
2019 (Actual)	9	6	1.65	3	1	1.89	12	7	1.65
2020 (Actual)	7	4	1.02	1	0	0.65	8	4	1.12
2021 (Actual)	5	4	0.93	4	0	2.27	9	4	1.13

Safety is a core value at Conuma, and we will always put the health and safety of our employees and contractors first. From the beginning of our Business in 2016, our mission has been to achieve excellence in managing our employees and contractors’ occupational health and safety. We understand that our foremost responsibility is to provide a safe and healthy working environment.

We also firmly believe that health and safety is everyone’s responsibility, and we are committed to identifying and mitigating health and safety hazards and risks before incidents happen. We have implemented operating and safety standards that reflect these principles and support our efforts to achieve zero harm. We also seek to ensure that our procedures, risk assessments, employee and contractor training, hazard assessments, incident investigations and response plans are actioned to the highest standards possible. For our five years of operation, our LTIFR has been better than the MABC average in four those five years, matching

it in the fifth. We are also pleased that our LTIFR has been steadily improving from 0.61 in 2019, to 0.47 in 2020, to 0.35 in 2021. This reflects a 43% improvement over the three years. Our 2021 TRIFR held its level from 2020, at 1.13 and was 33% lower than the MABC rate for the same year. While we are pleased with the results from these trailing indicators, we know that we must be relentless in continuing our journey towards Zero Harm.

We feel honoured that our Wolverine and Brule operations have been the recipients of the Edward Prior Award for the safest mid-size mine in BC

for four of the five years that Conuma has been in operation. These awards are testimony to the enormous safety effort our management and operating teams have made across all our sites. We know their commitment to further improving our safety performance is stronger than ever. In January and March 2021, we achieved the significant milestones of one-year Lost Time Injury free at our Willow Creek and Wolverine operations, respectively. These were moments to celebrate at these mines truly, and they affirm our belief that our mines can run injury-free as long we continue our trajectory of prioritizing a safety focus and safe performance.

We have robust emergency preparedness and response plans at each of our operating sites, as well as incident reporting and escalation standard procedures. These ensure any incidents are dealt with quickly and effectively by standing down operations for the necessary time to ensure all personnel are safe and attended to, that areas are made safe, and that we have dealt with all hazards. Our reporting and escalation standards ensure that the necessary incident details and associated risks are quickly communicated to senior management and other operating sites. Following each incident, we conduct a structured and systematic root cause analysis process led by professional safety leaders. This process helps us establish true root causes and ensure the identified risks and hazards are eliminated or adequately mitigated. We do this using the hierarchy of safety controls, namely elimination, substitution, engineering controls, administrative controls, and personal protective equipment.

Our eight Life Savings Rules are a cornerstone of our safety architecture at Conuma. We intentionally developed these rules to prevent serious injury or death from workplace accidents. All employees and contractors must know the seven rules and always comply. We have a zero-tolerance policy for any who choose to breach these rules wilfully.

The rules provide simple actions which help provide a final barrier that workers have control over. They are as follows:

- 

Confined Space Entry

Entering enclosed or partially enclosed spaces, not intended or designed for continuous human occupancy.
- 

Working From Heights

Any work performed at a level from which it is possible to sustain an injury from a fall requires fall protection.
- 

Line of Fire

Personal awareness of struck-by and caught in-between hazards.
- 

Mechanical Lifting

Lifting operations need to be planned and performed by competent workers using certified equipment.
- 

Energy Isolation

Energy isolation separates people from hazards such as electricity, pressure and energized equipment.
- 

Bypassing Safety Controls

Safety-critical equipment must work correctly to keep workers and those around them safe.
- 

Safe Driving

The driver and passengers should take responsibility for each other’s safety, including ensuring all occupants are wearing a seatbelt.
- 

Fit for Duty

Workers must be physically and mentally in a state to perform the assigned duties and cannot be under the influence of alcohol or drugs.



In 2021 we implemented a business-wide health and safety risk review. We used the Risk Analysis approach to complete this work, which had the dual benefit of generating comprehensive Business-wide risk mitigation and providing invaluable training and development to all who participated in the process. Our operational teams utilized impact and likelihood matrices to ensure their sites had correctly identified our most critical risks and that sufficient preventative and mitigative measures were in place to deal appropriately with the identified risks.

We are also actively involved on the safety front with other mining operations in BC and Canada. We do this mainly through the MABC, where we participate on the Board of Directors for the MBCA. This forum allows mining businesses like us to benefit from the cooperation and dissemination of safety learnings from more than twenty other mining operations in BC.

We train every new starter on our expectations and what they must do in keeping with our policies and procedures. All new employees must undertake a thorough orientation before working at our operations. All employees and contractors must

remain current on our safety standards and policies, including completing refresher training every year.

In February 2022, we implemented a new online and interactive Learning Management System («LMS»), through which all employees can undertake safety training and certification. Site contractors will be added to the LMS by the middle of 2022. The LMS will also provide an accurate real-time database by which our operations can ensure that all employees and site contractors are certified and current on the necessary safety standards that apply to their disciplines and tasks.

In addition to formal safety training, our employees also participate in daily safety briefings, toolbox talks and quarterly partnership meetings where new and existing safety matters are raised and discussed. Employees and contractors must complete Job Safety and Risk Assessments (JSRA's) with each new task completed. Supervisors and managers routinely inspect these to ensure completeness and that they identify and effectively mitigate all hazards identified.

We have also been very consistent in applying the «right to stop work if you feel unsafe» policy. No employee or contractor should undertake any task at work where they do not feel safe. We emphasize the importance of safely stopping work in such incidences, knowing that supervisors and managers support and respect such actions.

Our Joint Occupational Health and Safety Committees («JOHSCs») are very active across our Business, representing members from all worker groups, as well as management from sites and corporate. The JOHSCs have taken the initiative on several safety fronts, most notably our medical surveillance and ergonomics programs.

One of the most critical principles in progressively making our operations safer places to work is the prompt identification and effective mitigation of

safety hazards. Our sites record all such hazards, planned corrective actions, those responsible for the corrective actions and the time frames required

for the corrective actions to be implemented. The following table sets out our initiatives and corrective action scorecard over the last three years.

	Total		
Initiatives and Corrective Actions Implemented	Corrective Actions ¹	Preventative Actions ²	Total Actions
2019 (Actual)			
2020 (Actual)	123	769	892
2021 (Actual)	201	464	665

Note 1: Corrective Actions - actions implemented following incidents
Note 2: Preventative Actions - actions implemented following identification of hazards

COVID-19

We are also pleased with our progress on occupational health in our operations and offices in 2021. When the global COVID-19 pandemic began, we implemented and maintained strict protocols and procedures to safeguard the health of our workforce, contractors and visitors.

These measures remained in place, enforced and unchanged, throughout the provincial reopening phase, at a time when other businesses were relaxing their restrictions. Our COVID-19 prevention plan includes essential elements such as physical distancing, mandatory mask-wearing, limits on meetings and vehicle occupancy, and health screening of all employees and visitors to our sites. We encourage, and in some cases require, certain staff members to work remotely to reduce contact. To ensure our workforce remains productive, we

conduct rapid antigen testing on workers identified as close contacts of positive cases, allowing them to return to work immediately upon receiving a negative test and eliminating the lengthy isolation period. Our COVID-19 prevention plan continues to evolve as new local and worldwide challenges arise.

Since the pandemic's start, we have worked in close cooperation and partnership with our regional and provincial health authorities. By receiving regular updates on local pandemic trends and risks, we



Occupational Health

Throughout 2021, we continued to advance and expand our occupational health program.

Our silica exposure control plan, hearing conservation plan, and ergonomics program were all key development areas in 2021, focusing on controlling health risks to our workforce. These plans establish rigorous internal company standards for assessing, controlling and managing these priority risks.

We expanded our hazard assessment initiatives by using qualitative risk assessments as an essential first step in the occupational health risk management cycle. Qualitative assessment outcomes are then used to guide focused quantitative assessments and provide valuable insight into the root causes of risks. We have renewed our commitment to implementing permanent controls wherever possible, and through using a hierarchy of controls model, we have identified and confirmed risks.

Open and transparent communication with all levels of our workforce has been the main priority for 2021. Continuous engagement with our workforce begins with occupational health forming an integral part of our safety committees. These committees receive monthly updates on occupational health program activities, summary reports and findings of all assessments and health-risk hazard awareness training. We enlisted Committee members to participate in and lead program initiatives such as ergonomic field assessments, making them valued contributors and partners in reducing and controlling health hazards. As part of direct and open communication and as a critical component of their right-to-know, individual workers who participate in monitoring surveys receive personal letters with their assessment results.

have adapted and responded quickly to mitigate the impact on our operations. In return, we are actively assisting the health authorities in identifying and tracking outbreaks by providing case information as and when they arise. We do this in addition to the continuous reporting we provide from our in-house rapid testing program results.

CLIMATE CHANGE IMPACTS

We recognize that climate change is a critical global risk generated by human activity. This necessitates definitive action at all levels of society, from global cooperation and in-country measures to businesses, community, and individual contributions. If this does not happen, climate change impacts will cause significant and costly impacts on global ecosystems and society.

As a business, we are responsible for supporting global and Canadian initiatives by reducing greenhouse gas («GHG») emissions at our operations and sustainably producing our steelmaking coal products essential to the transition to a low-carbon economy. Our Board of Directors and Senior Management recognize their individual and collective responsibilities to assess climate-related risks and opportunities and to ensure that Conuma has built-in resilience to manage and mitigate these risks and take advantage of opportunities as they present. We fully support the principles and standards embodied in the Task Force on Climate-related Financial Disclosures («TCFD») framework in alignment with our commitment to sustainability and transparency.

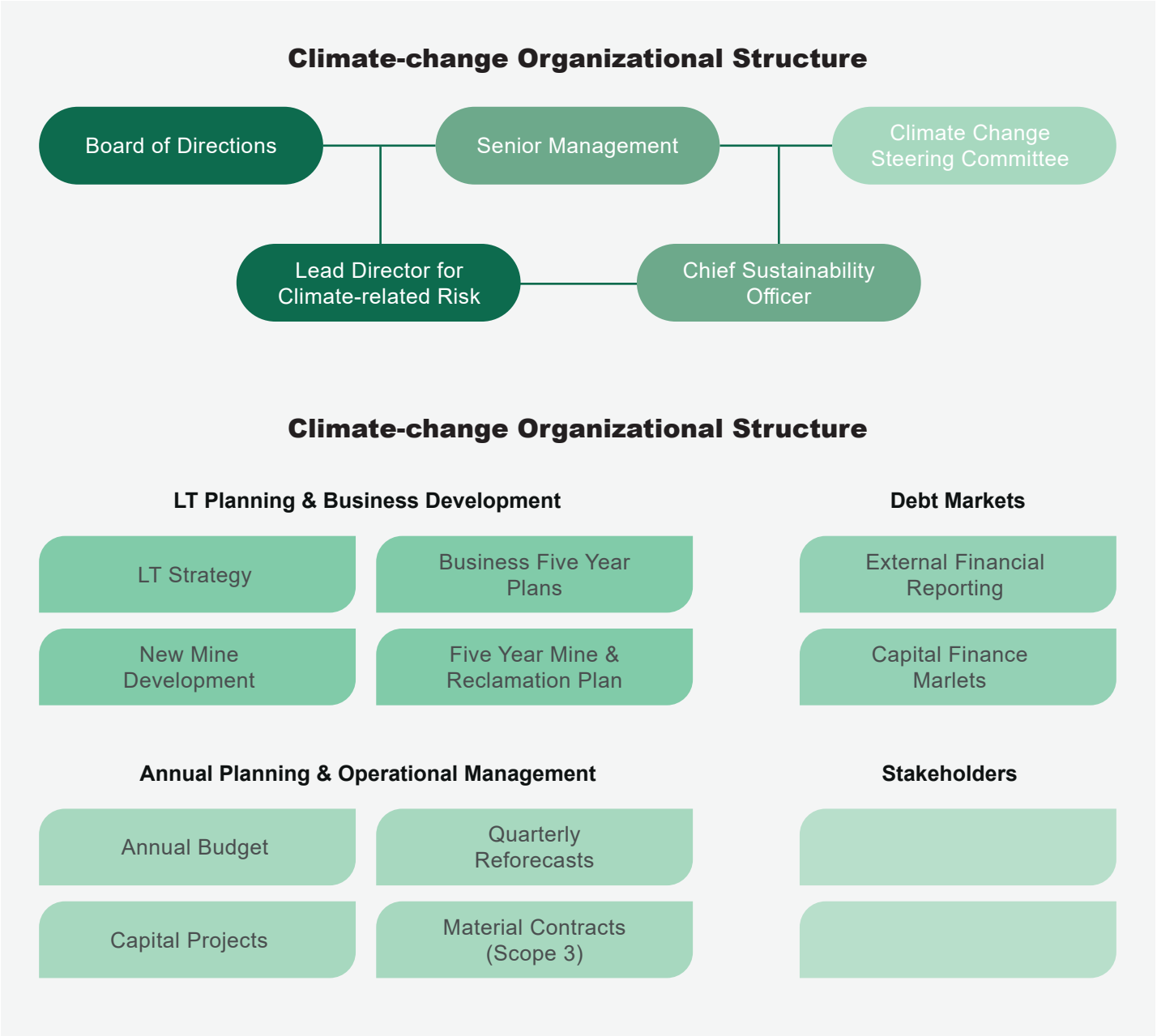
We recognize that our mining operations generate material volumes of GHG emissions. We are making efforts to reduce our carbon intensity by improving energy efficiency and reducing the production of GHGs. We also recognize that the downstream production of steel, which uses our coal products, is a significant one-time source of GHGs. Steel is one of the most critical elements to a low carbon economy. The utilization of our steelmaking coal (through mining, transportation, and consumption) is low carbon intensity in this essential steelmaking process.

Beginning in November 2020, as a first phase, we set out to adopt best practices concerning climate

change and progress the Company towards complete alignment with the recommendations in the TCFD framework. Ernst & Young were engaged, in December 2020, to conduct a «TCFD Readiness Assessment» for the Company, which we completed in March 2021. Working in parallel, we set out to establish our climate-related Board and Senior Management governance principles, commence development of our climate-related strategy and risk management and complete our Scope 1 and 2 GHG emissions reporting for the 2020 calendar year. We also appointed one of our senior executives into the position of Chief Sustainability Officer to head, amongst other matters, our TCFD implementation.



We established the initial framework for integrating climate change into the organizational structure of our Business, as shown in the illustrations below:



We established a focused team to study literature and guidance material and learn from experts. That team then developed processes for identifying and assessing climate-related risks and opportunities the Company might encounter. It completed a preliminary report on those identified risks and opportunities and

presented it to Senior Management and the Board of Directors, who debated and adopted the report, subject to amendments, in meetings held on May 13 and May 17, 2021, respectively. We published the report on our website on June 1, 2021.

In the second half of 2021, we defined and communicated the business interfaces best placed to integrate climate-based assessment, including long-term planning and business development, annual planning and operational management, debt markets, capital expenditure and material contracts. Furthermore, we established a Climate Change Steering Committee, which reports directly to the Chief Sustainability Officer and Senior Management, consisting of climate and senior operational and financial leaders, to spearhead our efforts in climate-related matters. Our capital expenditure review and approval process captures climate-related impacts, mainly focusing on acquiring more fuel-efficient equipment to support our commitment to reducing our GHG emissions by a minimum of 15% by 2030.

In the second half of 2021, we also completed additional work on climate-related transition risks, given the immediacy of some of these risks. Concerning climate-related physical risks, further work, including detailed examination and prioritization of these under different climate scenarios, as well as the mitigations and

response measures to be employed, will be completed in the first half of 2022.

We plan to achieve full TCFD reporting status by the time we publish our 2022 Climate Impact report.

As a beneficiary of the Large Employer Emergency Financing Facility («LEEFF») program, Conuma Resources Limited («Conuma» or «the Company») produces, publishes, and provides annual climate change-related disclosure reports. These reports follow the recommendations of the Task Force on Climate-related Financial Disclosures («TCFD») (Link) as well as the Final Report of the Expert Panel on Sustainable Finance (Link).

Per the LEEFF requirements, our first four climate disclosure reportings must be in the specified format from the Expert Panel's recommendations, with clear disclosures on Governance, Strategy, Risk Management, Metrics & Targets, and achieving Canada's commitments to the Paris Agreement (see below).

1	Governance	- Describe the board's oversight of climate-related risks and opportunities. - Describe management's role in assessing and managing climate-related risks and opportunities.
2	Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
3	Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.
4	Metrics & Targets	Disclose Scope 1 and 2 GHG emissions and related risks, or an appropriate alternative metric.
5	Achieving commitments to the Paris Agreement	Report on how your corporate governance, strategies, policies, and practices contribute to achieving Canada's commitments under the Paris Agreement.

The fifth report (required by 2025) will be in the form of a Phase II report as specified in the Expert Panel's recommendations, with reporting on underlying assumptions, calculations, estimates and scenarios.

For the design and construction of future brownfield and greenfield mining operations, our Business Development and Project team are committed to mine designs and construction that reflect long-term



sustainable and cost-effective operations and the need for lower carbon emissions. These designs will be chiefly around the electrification of mining equipment where possible, from drilling to excavation to hauling. The large equipment manufacturers that work closely with Conuma, such as Caterpillar, Komatsu and Hitachi, are equally focused on designing, testing, commissioning and producing mining equipment that can cost-effectively operate without fossil fuels. There is an urgent need for electrification capability development to enable companies like ourselves to reduce carbon emissions by 2030 in meaningful ways. There is still much to be done on this front, with new and yet-to-be-developed technologies.

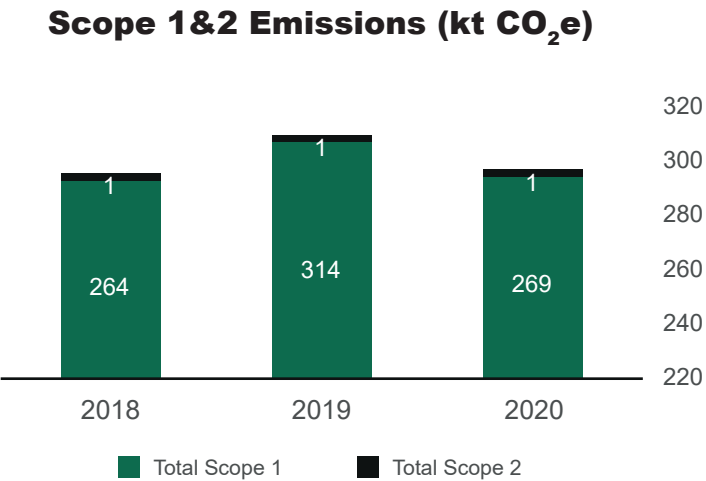
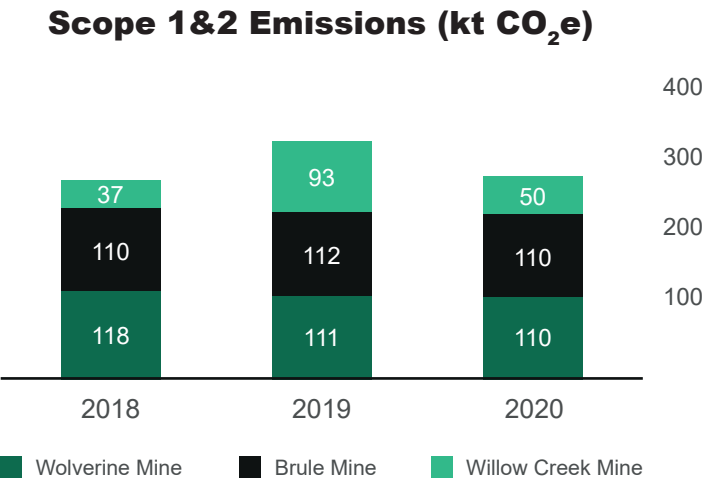
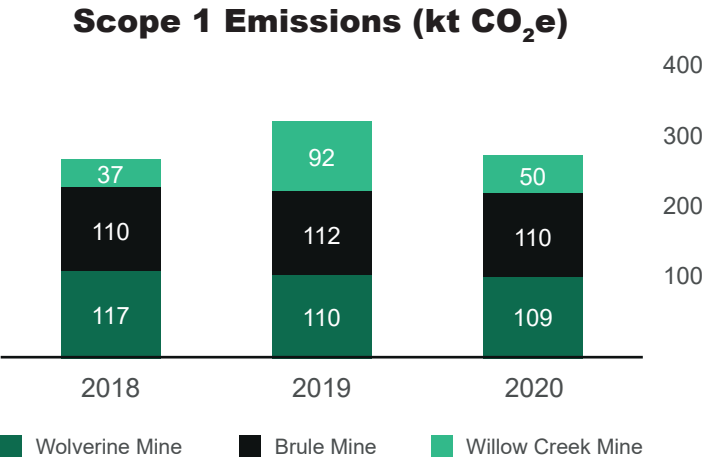
We are also working with experts in renewable energy and fossil fuel reduction to assess immediate and pending opportunities to reduce emissions—these range from extracting better-operating efficiencies,

acquiring more fuel-efficient engines, and increasing electric-drive equipment. We will also be progressively electricfying the transport our employees use to get to and from our operations, and reducing heating and lighting sourced from fossil fuels.

Diesel consumption makes up 64% of our CO2 emissions, while fugitive methane from mining operations makes up 35%. Diesel is consumed principally in removing overburden material, extracting steelmaking coal and transporting it to our beneficiation plants.

BC Hydro, which supplies electricity to all our mining and beneficiation operations, acquires its power supply from nearly all renewable sources. As of 2021, BC Hydro's power supply was 98.3 % renewable, and, according to BC Hydro targets, they expect it to increase to _____ by _____.

Metric	Wolverine Mine			Willow Creek			Brule Mine			Total		
Year	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
CO ₂ (kt/year)	72.6	70.9	64.9	25.3	60.0	33.4	52.3	53.5	69.0	150.3	184.4	167.3
Diesel Consumed (MI)	27.3	26.4	24.3	9.5	22.5	12.3	19.2	19.7	25.2	55.9	68.5	61.8
CH ₄ (kt/year)	1.6	1.4	1.7	0.4	1.2	0.6	2.2	2.2	1.5	4.3	4.9	3.8
Total Scope 1 CO ₂ e (kt)	117.1	110.3	109.2	36.8	92	49.5	109.9	111.7	110.3	263.8	313.9	269.1
Energy Consumption (GWh)	20.8	18.3	20.4	9.7	20.3	19	3.1	3.6	3.9	33.5	42.2	43.2
Scope 2 CO ₂ e (kt)	0.6	0.5	0.6	0.3	0.6	0.6	0.1	0.1	0.1	1.0	1.3	1.3
Scopes 1&2 CO ₂ e (kt)	117.7	110.8	109.8	37.1	92.6	50.1	109.9	111.8	110.4	264.8	315.2	270.3





TAILINGS MANAGEMENT

The safe management of processed coal residue, known as ‘tailings’, is critical for our Company. Our strategic priority will always be to ensure that our tailings facilities meet, at a minimum, all the safety and environmental standards required.

We currently operate one tailings storage facility («TSF») at our Wolverine Mine Processing Plant. Our Willow Creek Mine Processing Plant has a dry tailings disposal process, where the tailings are hauled back into the mining pits and deposited together with the waste rock. Our Brule Mine does not operate a processing plant, and all its coal is treated at the Willow Creek Processing Plant.

	Tailings Storage Facilities		
Time Period	Wolverine Mine	Brule Mine	Willow Creek Mine
2016-2022	1	0	0
Planned 2027	2	0	0

The Wolverine Mine TSF, initially constructed in 2005, captures tailings piped from the adjacent Wolverine Processing Plant and pumps clarified water back for recycling through the Processing Plant.

In late 2019, we commissioned Knight Piesold, a firm with over 100 years of experience in mining geotechnical services and acting as the independent third party, to conduct a five-year TSF Dam Safety Review («DSR»). This work was reviewed by the Independent Tailings Review Board («ITRB»), which the BC Provincial Government established in 2014 to oversee all mining tailings impoundments. Tetra Tech conducted the last five-year review of the Wolverine TSF in 2015.

This exhaustive process included a DSR, as well as Potential Failure Mode Analysis («PFMA») and Failure Modes and Effect Analysis («FMEA»). These processes

and assessments facilitated the highest rigour in preparing and completing the report and action plans, with input from numerous experts in technical fields related to TSF management.

The PFMA and DSR reports were published in November 2020 and January 2021, respectively. They identified some additional risk mitigation activities to undertake, including a site-specific seismic assessment, updating the TSF stability assessment, updating the TSF operating parameters to allow for storage of a 72-hour inflow design flood and strengthening our control systems around monitoring data collection. These actions were all completed by November 2021.

We also updated the Wolverine TSF Operations, Maintenance, and Surveillance («OMS») manual in January 2021 to integrate the learnings and actions

coming from the reviews completed in 2020. We will remain focused on maintaining our management practices and standards to ensure the lasting integrity of the Wolverine TSF.

The Wolverine TSF is operated and maintained by Conuma employees with assistance from the Engineer of Record («EoR»), Knight-Piesold. Per the OMS manual, site engineering and operational staff complete weekly inspections. A designated Qualified Person performs monthly inspections, and the EoR prepares an annual inspection and safety report. We also conduct annual governance reviews to confirm that we have the right personnel and procedures to meet our committed management and safety standards. Ongoing

instrumentation readings, data reviews and any required maintenance and engineering studies are coordinated and implemented by Conuma employees and the EoR, using additional resources as and when required.

We expect the existing TSF at our Wolverine operation to hold sufficient capacity for the Wolverine Processing Plant until the end of 2028. With continuing mining activities in Wolverine’s Perry Creek pits and the expected commencement of mining of the Wolverine Hermann pits, we plan to construct a new Wolverine TSF and have it operable by 2027. Planning for the new TSF is now underway, with an In-Pit tailings storage facility design utilizing an existing mining pit within the Wolverine Perry Creek permitted footprint.





WATER MANAGEMENT

We monitor water data at our mining and processing operations so we can understand our company-wide water balances and how efficient our recycling activities are. Water balances are complex and can be impacted by weather, such as seasonal precipitation and the spring melt, as well as geological conditions at our different sites.

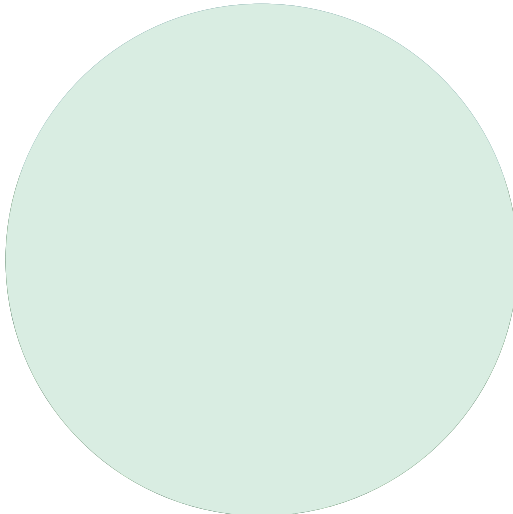
We use water primarily for coal processing, site dust control and cooling, and some water does remain in our steelmaking coal products that ship, primarily for dust control, temperature management and ease of handling. We source our water from both surface water and groundwater systems.

In 2021, our average recycled volumes of water were _____ at the Wolverine Processing Plant and _____ at the Willow Creek Processing Plant, resulting in an aggregate recycle to fresh water use ratio of _____

We also manage and discharge material volumes of water without use and we seek to discharge this water as close as practical to the source location and at near source qualities. The water we discharge is monitored and treated where necessary through our

sedimentation ponds, saturated rock fills («SRF» s) and our bio-chemical reactors («BCR» s), the latter of which are at our Brule operation. The principle purpose of the SRFs and BCRs is to naturally and energy-efficiently remove selenium and nitrates from the water that we discharge from our sites.

Our goal, through the SRFs and BCRs is to lower the selenium and nitrate levels to point where aquatic life in downstream is not impacted, either during mining operations or in post closure. We undertake this, while seeking to maintain sustainable steelmaking coal operations in NEBC. We continue to work with the BC Government, our Indigenous partners and relevant experts in the field to resolve these complex and unfolding issues to the satisfaction of all parties involved.



RECLAMATION

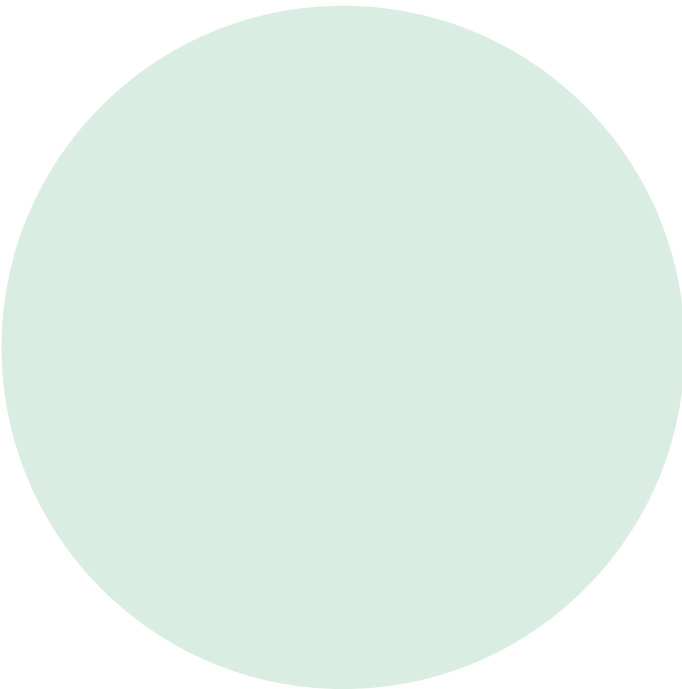
We recognize that our mining activities are a temporary use of the land on which we operate. Once our operations are completed, the entire site must be restored so that it can be returned to its natural state. It is on this basis, that from the first day we start planning our mining operations, restoration and reclamation planning also begins.

As we operate our mines, we practice progressive reclamation. We do this so that when mining operations finally cease, reclamation has already been completed on relevant and accessible parts of the mining operation, such that the final reclamation process can happen relatively quickly thereafter. We submit five-year mining plans to the BC Ministry of Energy, Mines and Low Carbon Innovation and these plans contain our commitments to reclamation during these time periods. The pre-disturbance use of the land around our mining operations was principally wildlife habitat with some forestry and oil and gas activity. Our reclamation programs target to return the land and watercourses to a standard suitable for wildlife habitat. We do this through sloping, layering topsoil, and revegetating to

establish forest cover and forage areas that support wildlife and traditional indigenous uses.

We have consistently contracted local indigenous owned businesses to partner in our reclamation activities. These partnerships extend from re-sloping, to layering of topsoil and hydroseeding. We are particularly pleased with the extent that Twin Sisters Native Plants Nursery, based out of Moberly Lake, has gone to in the collection of distribution of area-specific seeds, plants, shrubs, trees, forbes and grasses, that will ensure the success of vegetation growth for reclamation work such as ours.

In 2021 we reclaimed a total of ____ hectares at our _____ operation.



RELATIONSHIPS WITH INDIGENOUS PEOPLES

We operate in Treaty 8 in the traditional territories of Indigenous people. Through Impact Benefit Agreements («IBA» s) we execute on our commitment to working with Indigenous communities towards achieving mutually beneficial goals.

We recognize it is essential to manage and mitigate the impacts of our activities on air, land and water (or aquatic and terrestrial resources). In 2021, we engaged with Indigenous communities on our current operations and proposed expansion projects, such as Hermann and the expansion of the Brule mine. We did this to gain a deeper understanding of how our mining operations impact values that are fundamentally important to Indigenous Peoples and the mitigations that are necessary for

projects to advance to best ensure Treaty Rights are protected. Following such consultation, we have modified several plans, including changing diversion channels, adding liners and fencing to sedimentation ponds, updating bioaccumulation models, and considering broader fauna impacts.

Mining generates wealth and creates opportunities. Our IBAs provide the processes to provide opportunities and share benefits with Indigenous

communities and their members through direct employment and economic development opportunities, which are steps towards reconciliation. Since starting in late 2016, we have steadily grown our commercial relationships with Indigenous-owned businesses. In 2021, Indigenous-owned businesses provided civil works, reclamation, and hauling to our Company, amounting to over \$____, which was ____% of discretionary contractable work. This increased from \$____ and ____% in 2020.

We contracted Indigenous-owned companies to construct and optimize the Brule Mine's BCRs. In 2020 and 2021, at the cost of \$____m, we also spent \$____ on upgrading Brule's first BCR. In 2021, indigenous contractors hauled nearly half a million tonnes of coal from neighbouring mines, at a total cost of \$____m. This project was a very successful commercial venture between us and two locally dormant mining operations owners. It also helped improve environmental conditions at these sites by removing the coal and facilitating future reclamation work. We also continue to be actively supported in

our reclamation efforts by indigenous companies who supply both services for re-sloping and topsoil covering old workings, but which also grow and supply locally suitable and biodiverse seeds for our reseeded activities.

Consistent with and in support of our Diversity, Equity and Inclusion Policy, we are committed to providing employment opportunities for Indigenous peoples interested in pursuing a career in mining. In 2021, the percentage of Indigenous employees increased from ____% in 2020 to ____% in 2021.

In October 2021, we appointed a Director, Indigenous, Community and Government Affairs, to lead our engagement with indigenous groups and local communities. We also undertook a company-wide employee survey in November 2021 to ascertain, among other things, our employee engagement and the extent to which minority groups, such as women and indigenous group members, felt embraced and included by the Conuma community.



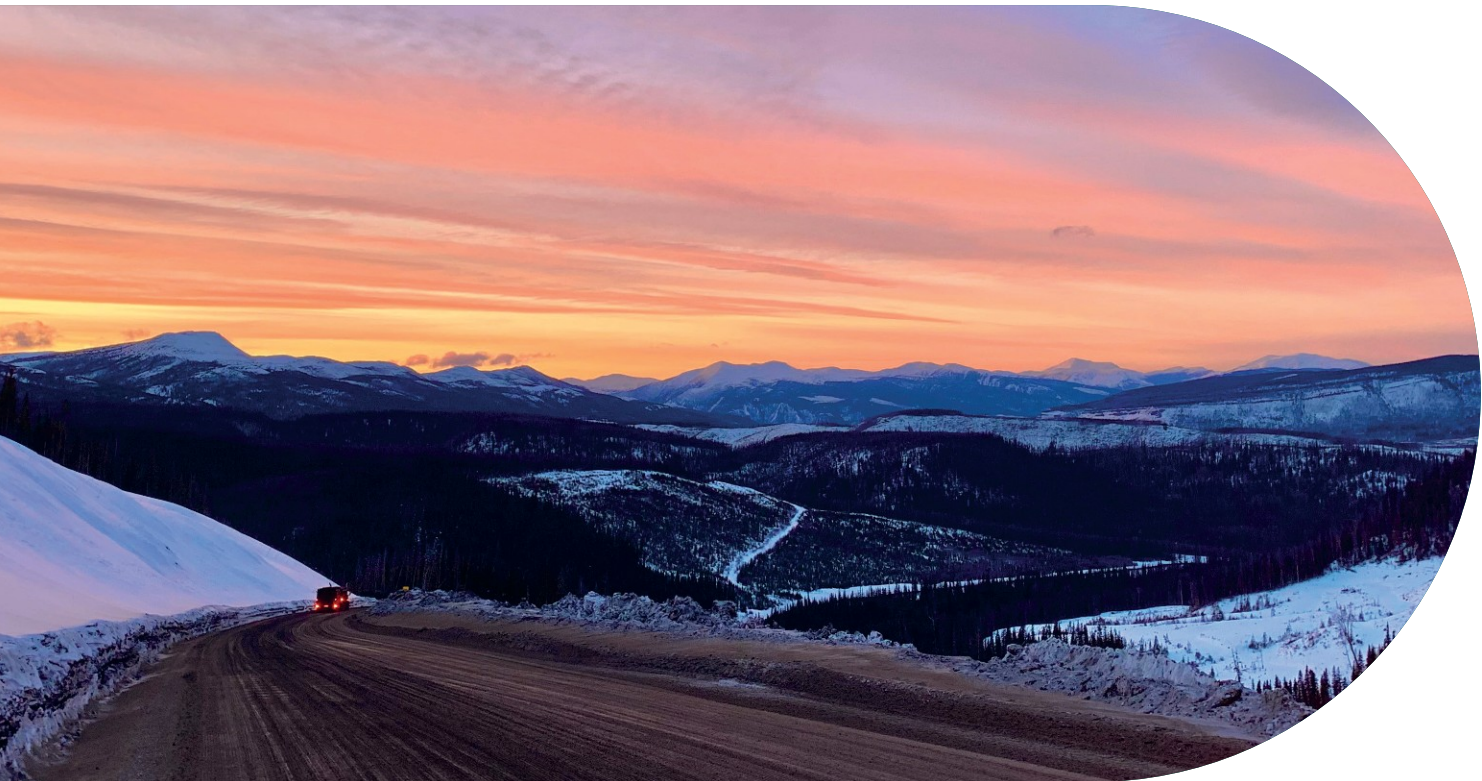
WORKING WITH COMMUNITIES

Our operations are in northeast British Columbia, an area rich in resource development. In the 1970s/80s, the community of Tumbler Ridge was created to host and support the development of area coal mines.

Several natural resources industries support the community of Chetwynd, including our mines. The region includes the cities of Dawson Creek and Fort St. John who also support and benefit from resource development and our activities. Engaging with communities, including the residents who make communities great places to live and work, to understand their aspirations and concerns is critical to our long-term success in the region. Our

commitment to local employment and procurement contributes to the economic health of northeast British Columbia.

We are committed to sharing information and engaging with our communities. Our mining operations and exploration sites have frequent engagement with community heads and members.



DIVERSITY, EQUITY AND INCLUSION

As a business and as individuals, we value diversity, equity, and inclusion («DEI») because we understand the strengths that diversity of characteristics, skills, thought, perspective, experience, and talent bring to achieving our core purpose and goals. We recognize that our diversity, including the many unique contributions we each bring to our workplace, help build a stronger Conuma. Thoughtful DEI practices increase employee engagement, enhance the recruitment and retention of top talent, and maximize productivity.

It is essential to our many stakeholders and indigenous communities that our work environment is inclusive, equitable, and welcoming to all. This work environment aligns with our core Conuma values of «One Conuma-strong» and «Heart». These values speak to us operating as one diverse team and delivering outstanding results through being professional, respectful and inclusive.

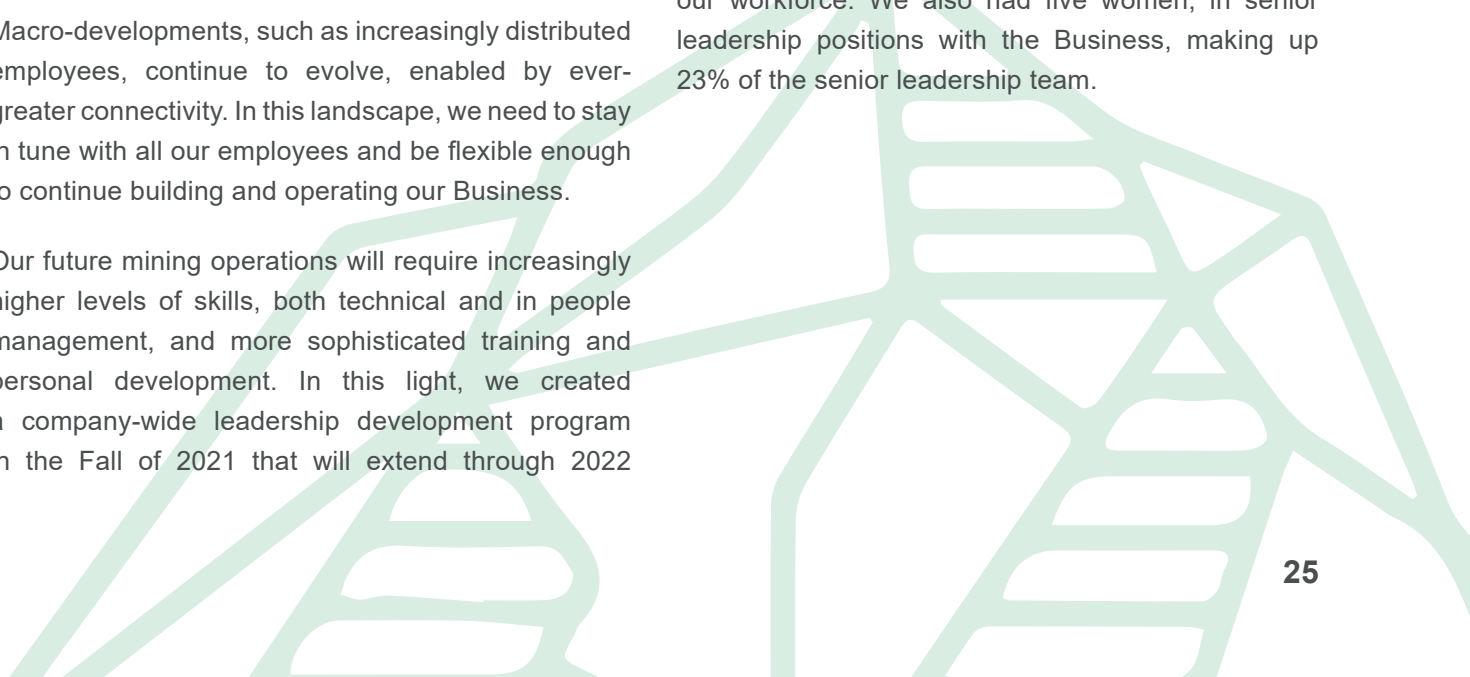
In December 2021, we formally adopted a DEI policy. We communicated the policy to every employee in the Business, asking for their commitment to upholding the principles of this policy.

Macro-developments, such as increasingly distributed employees, continue to evolve, enabled by ever-greater connectivity. In this landscape, we need to stay in tune with all our employees and be flexible enough to continue building and operating our Business.

Our future mining operations will require increasingly higher levels of skills, both technical and in people management, and more sophisticated training and personal development. In this light, we created a company-wide leadership development program in the Fall of 2021 that will extend through 2022

and beyond. This program aims to build the most robust leadership possible at all levels of the Organisation. We have over 150 individuals participating in the program, from operational leading hands up to top executives.

We aim to increase the percentage of women working at our Company, including women in leadership positions. We have a similar goal for our indigenous communities and are actively working on both of these targets. At the end of 2021, we had ____ women and ____ self-reporting indigenous community members, which made up ____% and ____% respectively of our workforce. We also had five women, in senior leadership positions with the Business, making up 23% of the senior leadership team.





BUSINESS ETHICS AND CODE OF CONDUCT

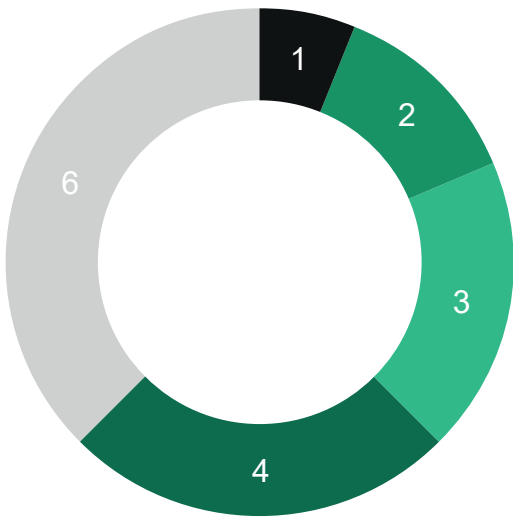
To deliver on our mission, we need an engaged and competent workforce that behaves ethically and according to our Company Values and our Code of Conduct. This is essential for us to maintain our social licence to operate. Our employees represent our organization and, through their actions, are expected to preserve and enhance our reputation through standards of honesty, integrity and fair dealing.

Our Business Ethics and Code of Conduct underscores our commitment to ethical, moral and legal business conduct and outlines the approach we must consistently take to meet and uphold our ethical and conduct standards, including anti-corruption compliance. It sets the tone for how we work, outlines acceptable workplace behaviour and business practices, and helps us recognize and address ethical and compliance issues before they arise.

All employees in positions of influence or commercial decision making are required to undertake Code of Conduct, and Ethics training and self certify their agreement and compliance with our Business Ethics and Code of Conduct Policy. Likewise, it is a requirement of all contracts that we execute with third parties that they agree to comply with our standard of ethics and anti-corruption.

We also have an external operator of a Whistle Blower service through NAVEX Global EthicsPoint. The service offered by EthicsPoint offers easy reporting through phone, website, email or letter communication, and all anonymously. In 2021 we had 16 cases reported through the service, all of which we investigated and appropriately dealt with. The breakdown of business conduct cases reported in EthicsPoint in 2021 was as follows:

Code of Conduct cases reported in 2021 category:



- Safety
- Other
- Substance Abuse
- Discrimination or Harassment
- Environmental Protection, Health or Safety Law





**CONUMA
RESOURCES**

AT THE HEART OF STEEL