

August 9, 2021

Benga Reviewing Decision Statement of Minister of Environment

CROWSNEST PASS, ALBERTA – August 9, 2021 - Benga Mining Limited (**Benga**) today announced that it is reviewing with its legal counsel the Decision Statement of the Minister of Environment and Climate Change, Jonathan Wilkinson, issued in Ottawa on August 6, 2021, in which the Minister determined that the Grassy Mountain Steelmaking Coal Project (**Project**), “is likely to cause significant adverse environmental effects”. The Minister based his determination on the report of the Joint Review Panel (**JRP**) that was issued on June 17, 2021.

The Minister’s determination was made despite applications being filed with the Court of Appeal of Alberta on July 16 and 19, 2021 by Benga and two separate First Nations, the Piikani Nation and the Stoney Nakoda Nations, challenging the JRP’s report on the grounds that the JRP made a number of errors in law and contraventions of procedural fairness and that the JRP’s report was fundamentally and fatally flawed. (See news release issued July 19: <http://www.riversdaleresources.com/site/newsroom2/newsroom.>)

The Minister’s Decision Statement was issued notwithstanding that by letter dated June 26, 2021, Benga’s legal counsel wrote to the Minister formally requesting that he take no action at this time, in order to allow Benga to pursue its legitimate legal avenues on appeal. Benga received no response from the Minister’s office and was simply emailed the Minister’s Decision Statement late in the afternoon of Friday, August 6, 2021.

“We are shocked that Canada’s Minister of Environment should take such a precipitous step before our legal appeal could be heard in court,” said John Wallington, CEO of Benga. “By ignoring Benga’s legitimate request that he hold his decision in abeyance whilst the legal appeal process runs its course, the Minister has ridden roughshod over the legal rights of Benga, Piikani Nation and Stoney Nakoda Nations, adversely affected economic interests, and relied on a JRP report that is the subject of multiple legal challenges. As such, the Minister’s actions may have far-reaching implications beyond any one project, and sends a strong message to potential investors that Canada’s regulatory regime is uncertain. To be denied due legal process after investing hundreds of millions of dollars and diligently meeting all regulatory requirements over five years in the lead up to the JRP hearing, is very concerning. Further, it is beyond comprehension that the Minister’s action was taken without consultation with First Nations, with the company, or with the communities that would benefit from the development of this Project.”

The Project is a proposed steelmaking coal mine in Crowsnest Pass, Alberta. Metallurgical coal is vital for the production of steel as there is no substitute for that in the steel making process. The Project holds a Category 4 land use classification (being land on which surface or underground mining may be considered); nearly 25% of the Project sits on previously mined (legacy) land, which was mined over 60 years ago and never properly restored at the time, but will be restored if the Project proceeds.

The capital expenditure for the proposed Project is approximately \$800 million, and approximately 500 jobs would be created during construction and 385 full-time positions at full production, plus further benefits to many people indirectly employed. Over the life of the mine, the Project would be expected to generate \$1.7 billion in provincial and federal income taxes and royalties.

Benga has 30 days in which to apply to the Federal Court of Canada for a judicial review of the Minister’s determination.