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Grassy Mountain Coal Mine Socioeconomic Impact Study

Northback Holdings Corporation

2026

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Disclaimer

Ernst & Young LLP (EY) has been engaged by Northback Holdings Corporation (Northback) to conduct a socioeconomic impact study of the Grassy Mountain Coal Mine Project (the Project). This study focuses on economic and broader societal considerations associated with the Project and does not assess environmental impacts or environmental considerations. In preparing this document (the Report), EY relied upon unaudited data and information from Northback and publicly available data. EY did not audit or independently verify the accuracy or completeness of this information and therefore accepts no responsibility for errors, omissions, losses or damages because of any persons or entity relying on this Report for any purpose other than that for which has been prepared. Accordingly, EY expresses no opinion or other forms of assurance regarding this information and reserves the right to revise any analyses, observations or comments should additional supporting documentation become available.

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1. Executive summary

Northback Holdings Corporation (Northback), a Canadian coal mining company, is advancing its Grassy Mountain Coal Mine Project (the Project), which seeks to redevelop a previously mined site into a modern operation producing approximately 2.5 million tonnes of metallurgical coal annually in a region historically associated with Alberta's coal mining industry. **The Project is expected to generate approximately CA$14 billion (CA$530 million per year) in export revenues, while also emphasizing local procurement to support regional economic benefits.**

Ernst & Young LLP (EY) was engaged by Northback to conduct a Socioeconomic Impact Study of the Project that provides an analysis of the economic contributions associated with the Project's construction and operational activities, including impacts on gross domestic product (GDP), labour income, tax revenues and full-time equivalent (FTE) employment, as well as broader socioeconomic contributions. Below is an overview of key findings:

KEY PROJECT METRICS

2.5 million tonnes
Annual production

CA$14 billion
Export revenues over the life of the mine (CA$530 million/year)

CA$1.4 billion over 2 years
Initial investment

CA$6.9 billion
Operational expenditure over the life of the mine (CA$265 million/year)

~ 90%
of expenditure through Canadian suppliers

OVERVIEW OF ECONOMIC IMPACTS

Impact	GDP (CA$m)	Wages (CA$m)	Jobs (FTEs)
One-time impacts from Project construction (over 2 years)			
Canada	1,195	736	9,577
Alberta	888	556	7,018
Southwest Alberta	584	393	4,952
Total impacts from Project operations (over 26 years)			
Canada	8,442	3,791	1,756 per year
Alberta	7,088	3,021	1,356 per year
Southwest Alberta	5,133	1,995	876 per year

Tax impacts from Project construction and operations

- **CA$141 million** from Project construction (over 2 years)
- **CA$2.0 billion** from Project operations (over 26 years)
- **Total CA$2.2 billion** from Project construction and operation

BROADER SOCIOECONOMIC BENEFITS

Strengthening local communities and entrepreneurial ecosystems

Through local hiring and procurement from regional suppliers, the Project is expected to support employment opportunities and local economic activity.

Enabling Indigenous economic participation and capacity building

The Project's employment, procurement, and training initiatives is expected to support Indigenous workforce participation and skills development.

Contributing to Canada's trade position and supporting regional growth

The Project's coal production and related exports are expected to contribute to Canada's trade balance and downstream supply chain activity.

Note: All amounts are in 2026 real terms and in CA$ unless otherwise stated. GDP, wages, jobs, and tax figures from Project construction reflect total impacts over the two-year construction period, while figures for Project operations are reported as totals over 26-year operating period with average annuals values shown in brackets. Job impacts from Project operations are shown on an annual basis. Cumulative figures are presented as undiscounted totals. All figures represents the total of direct, indirect, and induced impacts. Southwest Alberta includes selected census subdivisions near the Project, chosen for their proximity and relevance to Treaty 7 First Nations communities. Total tax impacts reflect the sum of construction tax impacts and annual operational tax impacts over the 26-year Project life. The CA$6.9 billion operational expenditure and CA$14 billion export revenue figures reflect totals over the 26-year project life. The estimated economic contributions are based on the Project assumptions and the input-output modelling approach described in this report. Actual outcomes may vary depending on Project implementation and broader economic conditions.

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2. Background information

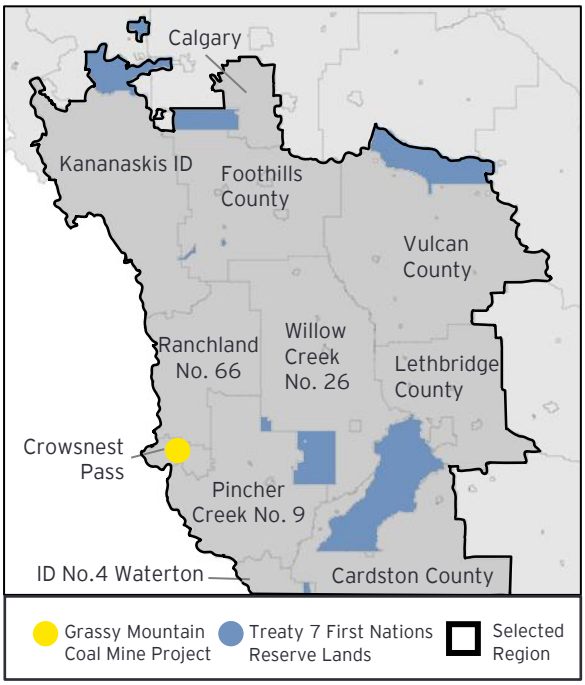
Northback Holdings Corporation[1]

Northback is a Canadian coal mining company headquartered in Calgary, with offices in both Calgary and Crowsnest Pass, Alberta. It operates as a subsidiary of Hancock Prospecting Pty Ltd, an independent privately owned Australian company. The Grassy Mountain Coal Mine Project represents Northback's primary initiative and ranks 13th among Alberta's largest energy and mining projects.

The Project is located on land that was mined over 60 years ago and has not been fully reclaimed. Northback intends to redevelop this site into a modern, high-quality metallurgical coal operation, a key input to steel production. The Project is set to produce approximately 2.5 million tonnes of steelmaking coal annually over the 26 years of mine operating life, contributing to Canada's role as an exporter of metallurgical coal.

The Grassy Mountain Coal Mine is situated within a region that has contributed to Alberta's coal mining industry since the late 19th century. Towns such as Blairmore, Coleman, and Frank were built around coal production, and the area played a vital role in shaping the province's early industrial economy. Although most mines closed by the 1980s, the legacy of coal mining remains a significant part of the region's history.

Figure 1: Overview of the Grassy Mountain Coal Mine Project, surrounding census subdivisions, and Treaty 7 First Nations reserve lands



Note: The map is based on Statistics Canada's Census Subdivision Boundary File 2025, made available under the Open Government Licence Canada. Highlighted areas represents reserve lands associated with Treaty 7 First Nations. Further details on First Nations Communities included in this report is provided in Section 5.2.

Grassy Mountain Coal Mine Project[2]

Situated on the eastern slopes of the Rocky Mountains in southwest Alberta, the Project site occupies approximately 6,900 acres of rugged terrain, about six kilometers north of the community of Blairmore in the Crowsnest Pass region. The site is characterized by steep valleys and alpine foothills. In addition, the surrounding area is located within proximity to established transportation routes and regional infrastructure.

The Project is situated within the census subdivision of Ranchland, near the border with Crowsnest Pass. Figure 1 illustrates the surrounding area, and highlights Calgary, where Northback's headquarters are located. For the purposes of the regional economic analysis, this surrounding area will be referred to as Southwest Alberta. Additional details on these subdivisions are provided in the Appendix A.2.

The Project is located within Treaty 7 territory. First Nations in the region include the Piikani, Kainai, Siksika, Tsuut'ina and Stoney Nakoda (Bearspaw, Chiniki, Goodstoney).

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3. Approach and methodology

Economic impacts and broader social and community benefits associated with the Project's construction and operational activities in Canada are assessed through the approaches described below. The key stages of the assessment are summarized as follows:

1 Economic impact assessment

Estimates the Project's total economic impacts in Canada by measuring the direct, indirect, and induced effects associated with construction and annual operations, including activity supported through the supply chain and additional spending generated by the workforce supported by these activities.

2 Social and community benefits

Provides an overview of the broader societal benefits associated with the Project, including potential implications for local communities, Indigenous economic participation, and Canada's trade position through coal production and exports.

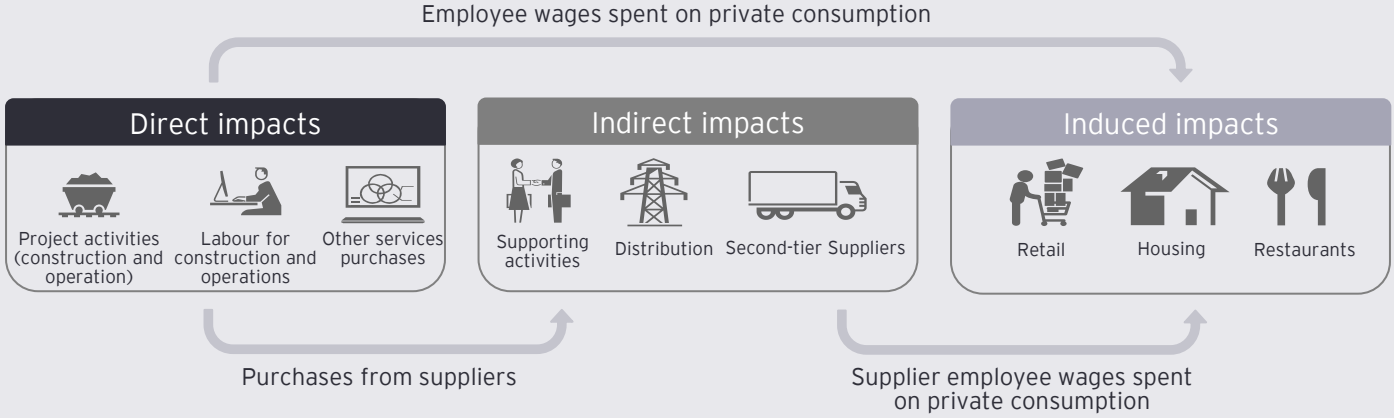
Quantification of economic impacts

EY's proprietary economic model was used to assess the economic impacts resulting from mine construction and annual operations. The model is constructed based on the principles of the input-output (I-O) model and captures impacts through three channels: direct, indirect, and induced.

These impacts individually and collectively represent how mine construction and annual operations ripple through the economy, as shown in Figure 2. To develop regional economic multipliers for Southwest Alberta, EY used data and information on industry concentrations, employment levels, and other microeconomic data that reflect local economies. The results are estimated economic impacts that remain in each respective region, with consideration given to account for leakages of activity to the rest of the province and the rest of the nation.

A static I-O model, a widely accepted methodology for assessing economic impacts, was used to assess the economic impacts associated with the Grassy Mountain Coal Mine Project. The I-O model was selected based on its flexibility in providing a reliable method of assessing regional impacts. Fundamentally, the I-O model translates direct impacts into indirect and induced economic impacts, which collectively define the total economic impacts of mine construction and annual operations.

Figure 2: Direct, indirect and induced economic impacts



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3. Approach and methodology

Project's total economic impacts are expressed in terms of the following economic indicators:

Figure 3: Economic indicators

Gross Domestic Product (GDP): Represents value-added generated through stimulated economic activity from all final goods and services produced in Alberta and nationally.

Wages or labour income: Wages and salaries sustained as a result of economic activity from construction and operations.

Full-time equivalent (FTE) employment: Jobs created and supported across Alberta. FTE is measured in person-years. One FTE is equivalent to one worker employed full-time based on a standard 40-hour work week.

Taxes: Municipal/local, provincial, and federal tax (taxes on products and production) collections resulting from the economic activities.

Direct, indirect, and induced impacts

The I-O model captures economic activity through three distinct channels. The direct, indirect, and induced economic impacts are described as follows:

- Direct impacts include the economic impacts supported directly by the capital and operational activities of the Project. These include, for example, spending on capital equipment or employee wages and benefits.
- Indirect impacts include the economic impacts from business activities supporting the operations. The indirect impacts include the activities from suppliers' spending when purchasing goods and services from other vendors.
- Induced impacts include the economic impacts that occur when employees from the stimulated direct and indirect economic activities spend their additional wages and salaries on consumer goods and services. The induced activities are assumed to be primarily in service or consumer-related industries, such as retail, transportation, accommodation, food and beverage services, and banking and finance.

Social and community benefits

Beyond the modelled economic impacts, EY conducted a qualitative assessment to identify broader societal considerations associated with the Project, excluding environmental considerations. This review drew on information provided by Northback, together with external research, to assess potential implications related to local communities, Indigenous economic participation, and Canada's trade position.

This qualitative assessment focused on the following areas:

Strengthening local communities and entrepreneurial ecosystems

Assessment of how Project related employment and procurement activities are expected to support local economic participation and opportunities for regional businesses.

Enabling Indigenous economic participation and capacity building

Review of Indigenous participation in employment, procurement, and training opportunities associated with the Project.

Contributing to Canada's trade position and supporting regional growth

Assessment of how coal production and exports associated with the Project are expected to contribute to Canada's trade position and downstream supply chain activity.

4. Economic impact assessment results

Project overview and key metrics

The Project represents a major capital investment in Alberta's mining sector.[3] Once operational, the Project is set to produce ~2.5 million tonnes of steelmaking coal annually, with associated exports valued at approximately CA$530 million per year.

For context, Canada's total coal production in 2024 was ~43 million tonnes [4], and metallurgical coal exports were valued at ~CA$9 billion.[5] On this basis, the Project would account for almost 6% of national coal output once operational.

In 2024, Alberta's mining sector (excluding oil and gas) contributed approximately 0.3% to the province's total GDP, compared to approximately 20.9% from the oil and gas sector. For context, coal mining contributed an estimated 0.8% to British Columbia's GDP in the same year.[6]

The economic impact assessment for the Grassy Mountain Coal Mine Project considers two distinct phases of Project activity:

- Project construction: This reflects the economic contributions associated with capital expenditures during the construction period, with approximately CA$1.4 billion in Project investment.
- Project operations: This reflects the economic contributions associated with ongoing mine operations over the expected operating life of the Project. This phase includes approximately CA$6.9 billion in operational expenditure, together with approximately CA$0.4 billion in sustaining capital investment over the 26-year operational period.

Key data inputs

The economic impact assessment was conducted for both the mine construction and operational periods, supported by detailed financial data provided by Northback. This data included construction capital expenditure, sustaining capital expenditure, operational expenditure, tax expenses, and operating surplus/profit. The operating expenditure assumptions include transportation, logistics, and other supply-chain related expenditures.

Please refer to Appendix A.1 for a detailed list of assumptions and limitations for the input-output model used in the economic impact assessment as well as other financial assumptions.

Figure 4: Overview of key Project metrics

Note: The CA$6.9 billion operational expenditure and CA$14 billion export revenue figures reflect totals over the 26-year project life.

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4. Economic impact assessment results

One-time impacts from Project construction

The table below summarizes the one-time economic contributions associated with construction activities of the Project. These impacts reflect activity generated during the two-year construction period and are presented as total contributions over the construction phase.

Key observations

- Over the two-year construction-phase, spending is estimated to contribute a total of CA$1.2 billion in GDP at the national level, including CA$0.9 billion in Alberta and CA$0.6 billion in Southwest Alberta, reflecting interprovincial and interregional economic linkages.
- Project construction is estimated to support approximately 9,577 FTE jobs nationally, 7,018 FTE jobs in Alberta, and 4,952 FTE jobs regionally over the construction period.
- For every CA$1 of construction spending, approximately CA$0.9 in GDP is supported at the national level.
- At the national level, each CA$1 of direct GDP generated by Project construction is associated with an approximately CA$1.6 in additional GDP across the broader economy.

Table 1: Summary of one-time total impacts from Project construction

Impact	GDP (CA$m)	Wages (CA$m)	Jobs (FTEs)
National			
Direct	469	344	3,822
Indirect	445	267	3,594
Induced	281	125	2,161
Total	**1,195**	**736**	**9,577**
Provincial			
Direct	438	322	3,566
Indirect	277	164	2,163
Induced	173	70	1,289
Total	**888**	**556**	**7,018**
Regional			
Direct	327	240	2,658
Indirect	168	100	1,318
Induced	89	53	976
Total	**584**	**393**	**4,952**

Source: Northback, Statistics Canada and EY Analysis.
Note: All amounts are expressed in real 2026 dollars and in CA$ unless otherwise stated. GDP, wages, and jobs figures reflect total impacts over the two-year construction period. Jobs are measured in full-time equivalent (FTE) terms and measured in person-years.

4. Economic impact assessment results

Total impacts from Project operations

The table below summarizes the economic contributions associated with ongoing operations of the Project. These impacts reflect activity generated over the 26-year operational period and include direct, indirect, and induced contributions supported by Project-related operating and sustaining capital expenditures.

Key observations

- Over the expected operating life of the Project, ongoing operations are estimated to contribute a total of CA$8.4 billion in GDP nationally (CA$325 million annually), including CA$7.1 billion in Alberta (CA$273 million annually) and CA$5.1 billion in Southwest Alberta (CA$197 million annually), reflecting supply-chain linkages and regional spending patterns.
- Northback's procurement strategy has a strong regional focus, with 72% of provincial GDP contributions expected to occur within the region.
- Project operations are estimated to support, on average, approximately 1,756 FTE jobs per year nationally, 1,356 FTE jobs per year in Alberta, and 876 FTE jobs per year regionally over the operational period.
- At the national level, each CA$1 of direct GDP generated by Project operations is associated with an additional CA$0.8 in GDP across the broader economy.
- On average, direct GDP generated by mine operations represents approximately 6% of Canada's current coal mining GDP.[7]

Table 2: Summary of total impacts from Project operations

Impact	GDP (CA$m)	Wages (CA$m)	Jobs (FTEs)
National			
Direct	4,818	1,889	726 per year
Indirect	2,105	1,227	582 per year
Induced	1,519	675	448 per year
Total	**8,442**	**3,791**	**1,756 per year**
Provincial			
Direct	4,646	1,780	687 per year
Indirect	1,457	842	388 per year
Induced	985	399	281 per year
Total	**7,088**	**3,021**	**1,356 per year**
Regional			
Direct	3,833	1,274	492 per year
Indirect	874	508	234 per year
Induced	426	213	150 per year
Total	**5,133**	**1,995**	**876 per year**

Source: Northback, Statistics Canada and EY Analysis.
Note: All amounts are expressed in real 2026 dollars and in CA$ unless otherwise stated. GDP and wage figures from Project operations are presented as cumulative impacts over the 26-year operating period, with average annual values shown in brackets. Jobs are measured in full-time equivalent (FTE) terms and are shown on an annual basis. Cumulative figures are presented as undiscounted totals.

4. Economic impact assessment results

Tax revenue contributions

The Project's investments in mine construction and operations are projected to generate approximately CA$141 million in one-time tax revenues from construction and approximately CA$2.0 billion in cumulative tax revenues from operations. In total, these impacts represent approximately CA$2.2 billion in tax revenues over the Project life. Figure 5 presents the provincial and federal tax contributions during both phases, while Figure 6 provides a breakdown by category, including personal income taxes, taxes on production and products, royalties and fees, property taxes, corporate income taxes, and carbon taxes.

Figure 5: Breakdown of tax impacts – Provincial and Federal

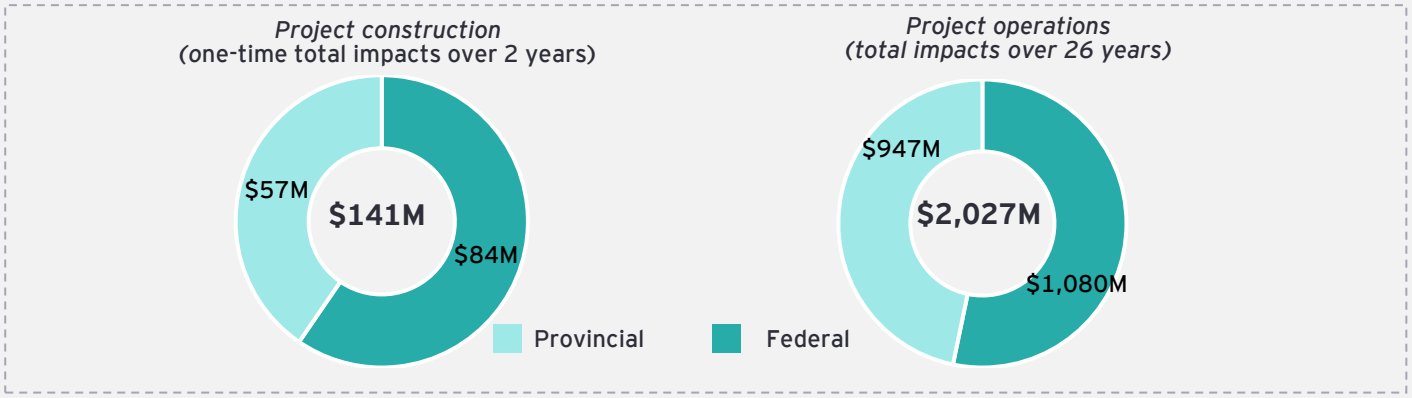
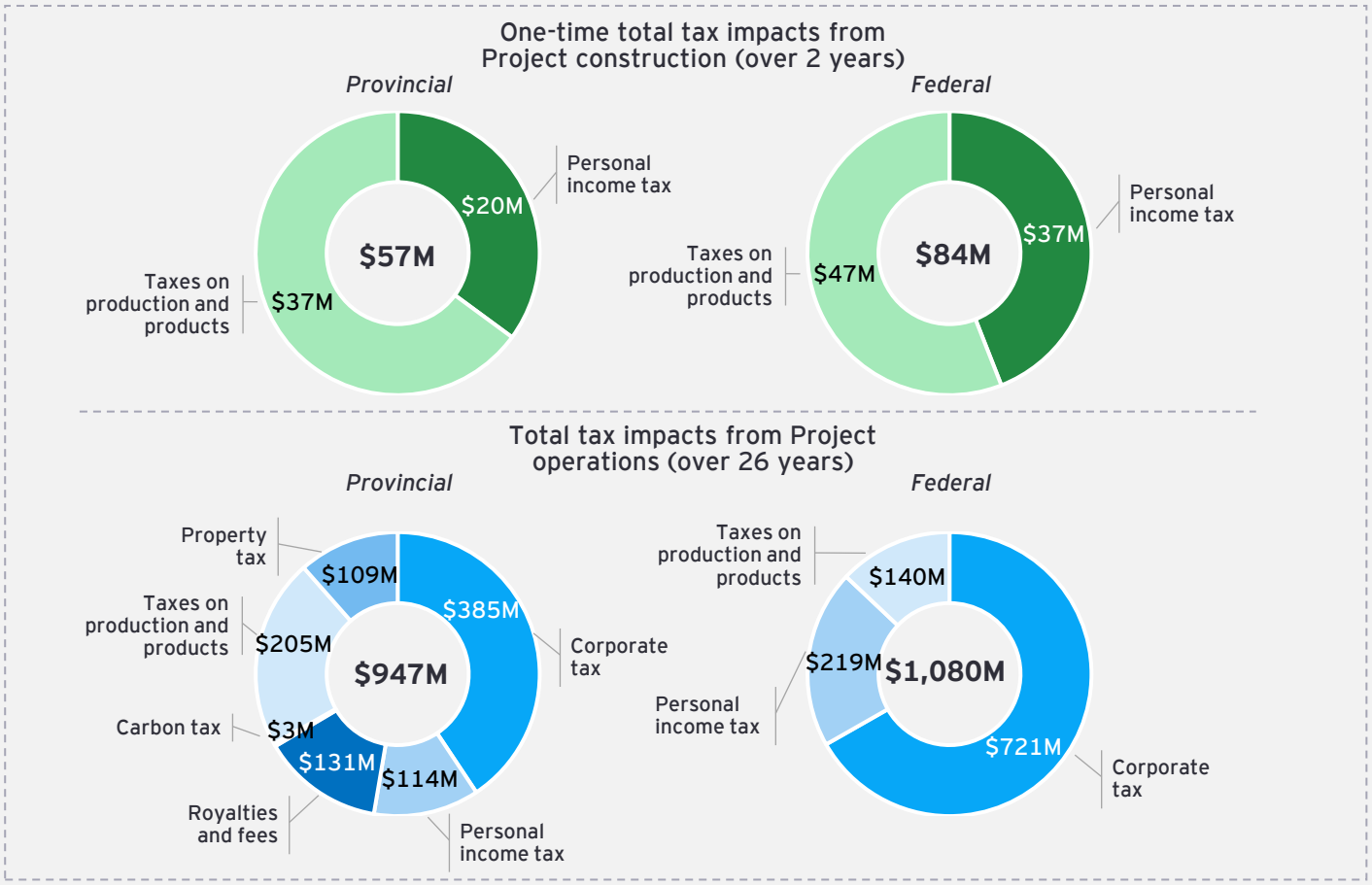


Figure 6: Breakdown of tax impacts – Project construction and operations



Note: For the purpose of this study, taxes on products and production are represented across direct, indirect, and induced levels whereas other tax categories are presented at the direct level only and obtained from Northback financial projections.

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5. Social and community benefits

Overview of social and community benefits

The Project is set to support a range of broader social and community benefits through its construction and operational activities.

This section highlights key areas where Project related activities are able to support local communities, Indigenous participation, and regional economic activity.

Strengthening local communities and entrepreneurial ecosystems

The Project is in a region with a history of coal mining activity and is expected to support local economic activity through employment and procurement from regional suppliers during construction and operations.

Enabling Indigenous economic participation and capacity building

The Project is located near First Nations communities. Project related employment, procurement, and training activities are expected to support opportunities for Indigenous participation in employment and skills development.

Contributing to Canada's trade position and supporting regional growth

The Project is expected to contribute to Canada's trade balance through coal exports to key markets and to support downstream supply chain activity associated with production.

5. Social and community benefits

5.1 Strengthening Local Communities and Entrepreneurial Ecosystems

Southwest Alberta is characterized by small, dispersed communities, and this section outlines key demographic and socioeconomic characteristics of Southwest Alberta to provide context for potential Project-related impacts.

The Project is located in Southwest Alberta, within a region characterized by smaller population centres and a history of coal mining activity. It is situated in the Municipal District of Ranchland No. 66, adjacent to the Municipality of Crowsnest Pass. While the mine and coal handling and preparation plant (CHPP) are located within Ranchland, the train load-out and associated access routes are in Crowsnest Pass.

Excluding Calgary, Southwest Alberta is characterized by relatively small and dispersed communities, with population levels varying across the area. For example, the Municipal District of Ranchland No. 66 has a population of approximately 110 residents, while a larger jurisdiction such as Foothills County has a populations of approximately 23,199. In total, approximately 57,852 people reside across the subdivisions that make up Southwest Alberta. This reflects a regional structure consisting of a number of smaller communities surrounding the Project site.

Additional detail on the census subdivisions covering the local region is provided in the Appendix A.2.[8]

Employment, education, and income[9]

Table 3 presents key demographic and socioeconomic indicators for the region, while the Appendix A.3 provides the same indicators disaggregated by census subdivision.

Key observations include:

- Workforce participation is 66.4% in Southwest Alberta (excluding Calgary), lower than Calgary and provincial benchmarks.
- Average total income is $57,660 in the region and lower than both Calgary and provincial benchmarks.
- Postsecondary attainment is 62.3%, below levels observed in Calgary and across Alberta.

Overall, the indicators show that labour market outcomes in Southwest Alberta are lower than those observed in Calgary and across the province.

The next page provides additional regional economic context, followed by Page 15, which outlines Northback's community development activities and how the Project is expected to support local employment, procurement, and community initiatives.

Table 3: Economic profiles of Southwest Alberta Region, Calgary and Alberta

Economic profile	Southwest Alberta (excl. Calgary)	Calgary	Alberta
Workforce			
Participation rate	66.4%	69.1%	68.0%
Unemployment rate	6.8%	12.5%	11.5%
Educational attainment (ages 25-64)			
No certificate, diploma or degree	8.8%	7.6%	9.9%
High (secondary) school diploma or equivalency certificate	28.9%	21.4%	25.3%
Postsecondary certificate, diploma or degree	62.3%	71.0%	64.8%
Income			
Average total income	$57,660	$64,600	$60,850

Source: EY analysis based on 2021 Census of Population. Average total income reflects 2020 values.
Note: Please see Appendix A.3 for the same indicators disaggregated by census subdivision

5. Social and community benefits

Economic structure

Based on the Canadian Business Counts of December 2025, as shown in Table 4, the local region's economic structure is markedly different from Calgary and the provincial average, reflecting its rural and resource-based character. Of the 2,035 businesses in the region, 18.2% operate in the primary sector, compared to 1.6% in Calgary and 5.4% across Alberta.

The tertiary sector, which encompasses services such as retail, healthcare, education, and professional services, represents 61.0% of businesses in the region, below Calgary's 83.8% and Alberta's 79.5%. This difference highlights the region's strong primary-sector base and the opportunity for complementary growth in local services. A new mine is expected to support economic diversification and expand service-related business activities, while maintaining the rural character.

Together, these characteristics indicate a smaller and more resource-based business base in Southwest Alberta relative to Calgary and the province.

The following section outlines Northback's community development activities in Southwest Alberta, taking into account these regional characteristics.

Table 4: Economic structure of local region, Calgary and Alberta

Economic structure	Local region (excl. Calgary)	Calgary	Alberta
Total businesses	**2,035**	**65,639**	**181,254**
Primary sector	18.2%	1.6%	5.4%
Secondary sector	20.8%	14.5%	15.1%
Tertiary sector	61.0%	83.8%	79.5%

Source: EY analysis based on Statistics Canada, Canadian Business Counts with employees (December 2025). Note: The primary sector includes NAICS Codes [11] - [21], the secondary [22], [23] and [31–33] and the tertiary sector encompasses all remaining industries.

Case Study #1: Creating jobs and supporting communities - Elk Valley Coal Mines[10]

Experience from comparable mining operations provides insight into how coal projects can contribute to local economic activity and community development. This case study draws on publicly available analysis of Elk Valley Resources (formerly Teck until 2023), which operates four coal mines in British Columbia. The analysis illustrates how mining operations can support employment, local suppliers, and surrounding communities.

Of its approximately 1,800 suppliers across Canada, half are based in British Columbia, and 23.6% are located in surrounding communities. Among the total mine workforce, 68% reside in these local communities, representing 16% of the total labour force locally.

In addition, the company invests in community infrastructure and makes philanthropic contributions, including approximately CA$3 million in infrastructure funding and land donations for housing.

This case study highlights how mining operations can support local employment, strengthen supplier networks, and contribute to community development.

Note: This case study is presented for illustrative purposes. See Endnote 10 for the underlying study and its associated assumptions and limitations.

5. Social and community benefits

Northback's community development activities

Northback has identified several ways in which the Project is expected to contribute to economic activity in Southwest Alberta, including job creation, infrastructure investment, and long-term planning. The Project received strong public support, with 72% of residents voting in favour in a 2024 plebiscite.[11]

The Project is expected to stimulate regional growth by attracting workers and families and increasing demand for housing and services. Northback plans to prioritize local hiring, support community programs, and collaborate with governments and service providers to manage development impacts. It also plans to fund a municipal planner for Crowsnest Pass to strengthen long-term planning.

The activities described below reflect Northback's planned involvement with local communities during the construction and operation of the Project.

1. Economic activity and workforce[12,13]

Population growth and regional revitalization

Northback's involvement includes workforce attraction associated with the Project, contributing to an increase in workers and families in the region and associated demand for housing, services, and infrastructure. This is expected to contribute to increased activity in retail, healthcare, education, and professional services.

Local hiring and workforce engagement

Northback has policies in place to prioritize local hiring, emphasizing the use of Alberta-based contractors where feasible. This approach is supported by Northback's Local and Indigenous Procurement Policy, which outlines principles for engagement with local and Indigenous suppliers. Workforce engagement will be coordinated from its Crowsnest Pass office, supporting proximity and responsiveness to community needs, including a strong emphasis on First Nations inclusion as detailed in Section 5.2.

2. Community engagement and coordination[14]

Community partnerships and service coordination

Northback has expressed a commitment to supporting local programs and initiatives through financial and in-kind contributions. This includes collaboration with health, social, and education service providers, as well as government and other industrial operators, to address the broader effects of resource development. This includes sharing development and operational plans with relevant agencies and working with provincial and municipal governments on planning initiatives and emergency response coordination.

Municipal planning and long-term support

To further support municipal capacity, Northback has offered to fund the hiring of a municipal planner for Crowsnest Pass, assisting with long-term community planning and service delivery. This is expected to support longer-term planning and contribute to service delivery in the region.

Note: Statements in this section reflect publicly available information regarding Northback's planned activities and have not been independently verified by EY. Refer to Endnotes 12 and 13 for the reports from which this information is drawn.

5. Social and community benefits

5.2 Enabling Indigenous economic participation and capacity building

Overview of First Nations communities[15,16]

The Project is located within Treaty 7 territory, in proximity to the Piikani, Kainai (Blood 148), Siksika, Tsuut'ina, and Stoney Nakoda (Bearspaw, Chiniki, Goodstoney) First Nations.

According to the 2016 Census, Treaty 7 First Nations communities were home to approximately 15,685 individuals. The Kainai Nation represented the largest share at 29%, followed by Stoney Nakoda at 24%, Siksika at 22%, Tsuut'ina at 15%, and Piikani at 10%.

To provide context for local conditions, the economic profiles of these communities are summarized in Table 5, drawing on 2021 Census information where available. For the Tsuut'ina and Stoney Nakoda Nations, 2016 Census data has been used due to data availability.

Employment, education, and income[17,18]

As shown in Table 5, employment, education, and income indicators for key First Nations communities differ from provincial benchmarks. Workforce participation is 48.8%, compared to 68.0% in Alberta, while unemployment averages 23.4%. Postsecondary completion stands at 40.8% versus 64.8% provincially, and average income is $34,587.

These indicators provide context on labour market conditions in communities located near the Project.

Table 5: Economic profile of First Nations communities, Alberta and Canada

Economic profile	First Nations communities	Alberta	Canada
Workforce			
Participation rate	48.8%	68.0%	63.7%
Unemployment rate	23.4%	11.5%	10.3%
No certificate, diploma or degree	33.4%	9.9%	9.9%
High (secondary) school diploma or equivalency certificate	25.7%	25.3%	23.0%
Postsecondary certificate, diploma or degree	40.8%	64.8%	67.1%
Income			
Average total income (2020)	$34,587	$60,850	$54,450

Source: EY analysis based on 2021 and 2016 Census of Population.

Note: 2021 Census data for the Tsuut'ina and Stoney Nakoda Nations is currently unavailable; therefore, 2016 Census information has been used. Average income figures from 2016 Census have been adjusted using an accumulated inflation rate of 7.71%, based on estimates from the Bank of Canada. Values presented in the First Nations communities column reflect a simple average.

5. Social and community benefits

Employment, training, and participation initiatives[19,20]

Northback has outlined a number of initiatives focused on employment, training, and contracting and procurement opportunities for First Nations communities in the region. Through these efforts, Northback aims to build long-term and collaborative relationships with First Nations.

- **Employment opportunities:** Northback plans to prioritize local hiring and engage with First Nations communities on workforce participation. For example, in partnership with Piikani Nation, the company helped establish a security business that has created over 30 jobs to date, ahead of Project operations.
- **Targeted outreach:** Planned outreach activities include career fairs, reverse trade shows, open houses, and information sessions. These activities are intended to communicate employment and procurement opportunities and facilitate participation in the Project's workforce and supply chain.
- **Skills and training partnerships:** Northback plans to collaborate with First Nations to design training programs, apprenticeships, and procurement pathways that reflect community priorities and meet Project requirements. These partnerships aim to create employment opportunities and build long-term capacity within the region.

Case Study #2: Transforming First Nations and local communities — The economic impact of Saskatchewan's uranium mines[21]

This case study draws on publicly available information on uranium mining operations in Northern Saskatchewan, where five mines contribute to local economic activity and surrounding communities and First Nations.

In 2024, uranium mining directly employed 2,316 people, 43% of whom reside in Northern Saskatchewan, and engaged 1,036 contractors.

Of the $892 million spent on procured suppliers, 65.1% was sourced from Saskatchewan businesses, while 31.8% went to Indigenous-owned companies.

Additionally, mining operators have invested $12.7 million in partnerships that support community wellbeing and Indigenous community initiatives.

These outcomes illustrate how resource projects can be associated with employment, procurement, and partnership opportunities for Indigenous communities.

Case Study #3: Strengthening communities: Glencore's role in Northern Quebec's economy[22,23]

Glencore's economic impact is concentrated in local regions of Northern Quebec, contributing more than 9% of regional GDP and supporting nearly 4% of all jobs.

The Raglan Mine, located in Inuit territory, plays a role in the community through partnership with over 100 Inuit suppliers and employment of approximately 250 Inuit workers at the site.

Additionally, it supports donations, education initiatives, health and safety programs and active stakeholder engagement.

This case study highlights how participation in employment, procurement, and community initiatives can be structured in resource development contexts.

Note: Case studies are presented for illustrative purposes. See Endnote 20, 21, and 22 for the underlying study and its associated assumptions and limitations.

5. Social and community benefits

5.3 Contributing to Canada's trade position and supporting regional supply chain

Contribution to Canada's trade position

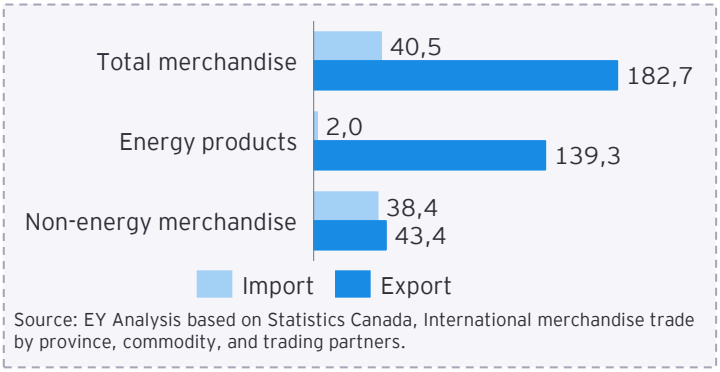
The Project is set to produce approximately 2.5 million tonnes of steelmaking coal annually. In 2024, Canada produced 43 million tonnes of coal, with roughly 67% classified as metallurgical coal; the Project's output would account for approximately 8% of this segment.[24]

Canadian metallurgical coal production is largely oriented toward export markets linked to global steelmaking activity. In 2024, China received 28% of Canada's metallurgical coal exports, followed by Japan at 26% and South Korea at 23%.[25]

Alberta's trade balance is similarly shaped by a concentrated export structure. As shown in Figure 7, energy product exports, particularly to the United States, account for a large share of the province's trade balance.

The Project would add steelmaking coal as an additional export commodity alongside existing energy products, representing one potential avenue for diversifying Alberta's export mix.[26]

Figure 7: Alberta's 2024 trade balance (Billion USD)



Source: EY Analysis based on Statistics Canada, International merchandise trade by province, commodity, and trading partners.

Coal supply chain and infrastructure implications

Coal exports rely on an integrated supply chain extending beyond extraction, with movement through rail networks, ports, and export terminals.

With most production concentrated in Alberta and British Columbia, the Pacific trade corridor serves as the primary gateway for exports. Approximately 80% of Canada's coal shipments originate from British Columbia, highlighting the role of west coast infrastructure in facilitating these flows.[27]

The Project would add to coal volumes moving through this system, contributing to activity across transportation and export infrastructure, including:

- **Rail network activity:** Additional volumes are expected to increase utilization of existing rail corridors, supporting higher rail traffic and operational activity across freight services connecting production sites to export terminals.
- **Port and terminal activity:** Higher export volumes are expected to contribute to increased throughput at export terminals, supporting activity in loading, storage, and port logistics operations.

Rail haulage and port services represent a significant component of Project operating expenditures. Based on Northback's operating assumptions, these expenditures are estimated at approximately CA$2.8 billion (CA$108 million per year) over the 26-year operating life of the Project, representing approximately 40% of total operating expenditures. These costs are reflected as part of the indirect economic impacts presented in this report.

EY Parthenon

APPENDICES

A.1 The Input-Output model: Assumptions and restrictions

A.2 Spending allocation assumptions

A.3 Local region definition

A.4 Endnotes

A.1 The Input-Output model: Assumptions and restrictions

The following appendix outlines the assumptions and restrictions associated with the I-O model used to perform the economic impact analysis in this Report. The I-O model is subject to limitations both in concept and implementation. Like any economic model, the I-O model is conceptually an abstraction that attempts to be complex enough to accurately capture and estimate the most significant impacts to the real- life economy caused by economic activities, yet simple enough to be analytically and intuitively meaningful.

An I-O model reflects the observed interdependency between all sectors of the economy. For Canada, Statistics Canada reports for the 236 industrial sectors in the economy: (1) how each sector relies on the other 235 sectors for inputs to their production; and (2) how each sector supplies its products and services to each of the remaining 235 sectors. While an I-O model provides a consistent and innovative way of measuring the economic effects of an economic activity, one should be aware of the assumptions and limitations imposed on the model's underlying approach. Some of these assumptions include:

- The relationship between industry inputs and outputs is linear and fixed, meaning that a change in demand for the outputs of any industry will result in a proportional change in production;
- The model assumed constant returns to scale, and cannot account for economies/ diseconomies of scale or structural changes in production technologies, an assumption that does not necessarily hold in the actual economy;
- Prices are fixed in the model; thus, the model is unable to account for elasticities, or more formally, how one economic variable change in response to another;
- I-O models are static, and therefore do not consider the amount of time required for changes to happen. Changing the timeframe would not affect the magnitude of the estimates;
- There are no capacity constraints, and all industries are operating at full capacity. This implies that an increase in output results in an increase in demand for labour (rather than simply re-deploying existing labour). It also implies that there is no displacement that may occur in existing industries as new projects complete;
- I-O models assume that the technology and resource mix (ratios for inputs and production) is the same for all firms within each industry, i.e., the 236 industry categories reported in Statistics Canada's input-output table. As such, our analysis describes industry average effects;
- The model assumes that the structure of the economy remains unchanged, and any structural changes in the economy since 2021 will therefore lead to changes to the multipliers, which could be implemented once Statistics Canada release updated input-output tables. As such, the further the year of analysis is away from the year of the input-output tables used, the greater the uncertainties;
- The model does not consider the economic impacts or opportunity costs associated with using resources elsewhere. In the case of this analysis for example, funds used to purchase lab equipment may be allocated to other areas. Using these funds for alternative uses would generate their own economic impacts, which could be larger or smaller. However, the model will not be able to capture this difference;
- Results from the I-O model should not be interpreted as causal impacts, that is, one should not take the economic impacts presented in this report as verbatim. We cannot say with certainty that X dollars of capital or operational spending will produce X number of FTEs or have an X amount of impact on GDP; and
- The model does not consider substitutions amongst inputs, and that each industry in the model is regarded as having a single production process.

A.2 Spending allocation assumptions

Northback's spending allocation by geography is based on the following assumptions:

Table A1: Location share assumptions

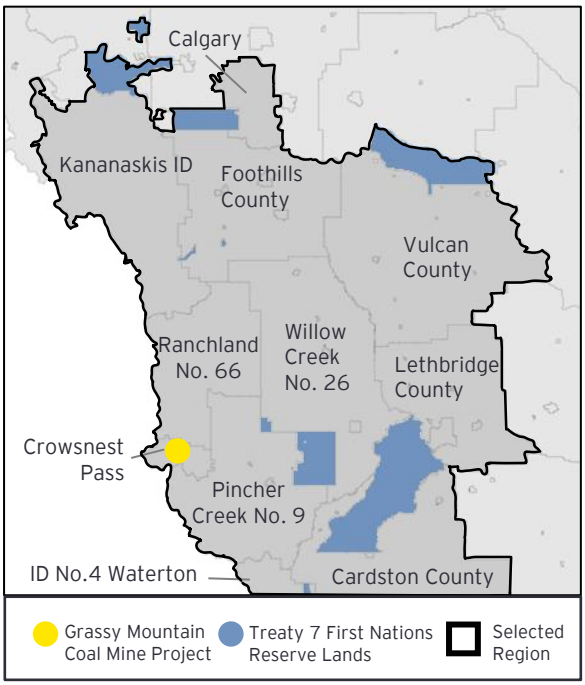
Location	Share of total supplier spending	Share of total labour
Southwest Alberta	60%	100%
Rest of Alberta	25%	-
Rest of Canada	5%	-
Rest of World	10%	-

Source: Northback Management.

Northback's selected area for measuring economic impact includes the following census subdivisions, collectively referred to as Southwest Alberta, selected for their geographic proximity to the Grassy Mountain Project and Northback's operations, as well as their relevance to Treaty 7 First Nations communities:

- Kananaskis Improvement District
- Foothills County
- Vulcan County
- Lethbridge County
- Cardston County
- Pincher Creek No. 9
- Improvement District No. 4 (Waterton)
- Ranchland No. 66
- Willow Creek No. 26
- Calgary
- Crowsnest Pass

Figure A1: Overview of the Grassy Mountain Coal Mine Project, surrounding census subdivisions, and Treaty 7 First Nations reserve lands



Note: The map is based on Statistics Canada's Census Subdivision Boundary File 2025, made available under the Open Government Licence Canada. Highlighted areas represents reserve lands associated with Treaty 7 First Nations. Further details on First Nations Communities included in this report is provided in Section 5.2.

A.3 Local region definition

The Local Region is defined as a group of census subdivisions selected for their geographic proximity to the Grassy Mountain Project and Northback's operations, as well as their relevance to Treaty 7 First Nations communities. Tables A2 and A3 below provide relevant statistics for these census subdivisions.

Table A2: Economic profile local region (1/2)

Economic profile	Crowsnest Pass	Kananaskis ID	Foothills County	Vulcan County	Lethbridge County
Workforce					
Participation rate	54%	75%	67%	70%	71%
Unemployment rate	9%	0%	9%	5%	5%
Educational attainment (Ages 25-64)					
No certificate, diploma or degree	10%	0%	5%	10%	18%
High (secondary) school diploma or equivalency certificate	30%	56%	26%	39%	29%
Postsecondary certificate, diploma or degree	60%	44%	69%	51%	54%
Income					
Average total income in 2020 among recipients ($)	$56,100	n/a	$95,600	$48,720	$55,550

Source: EY analysis based on Statistics Canada, 2021 Census of Population.

Table A3: Economic profile local region (2/2)

Economic Profile	Cardston County	Pincher Creek No. 9	ID No. 4 Waterton	Ranchland No. 66	Willow Creek No. 26	Calgary
Workforce						
Participation rate	68%	66%	65%	69%	71%	69%
Unemployment rate	4%	7%	13%	0%	3%	13%
Educational attainment (Ages 25-64)						
No certificate, diploma or degree	7%	9%	0%	0%	9%	8%
High (secondary) school diploma or equivalency certificate	34%	29%	14%	45%	35%	21%
Postsecondary certificate, diploma or degree	59%	61%	86%	55%	56%	71%
Income						
Average total income in 2020 among recipients ($)	$49,320	$52,050	n/a	n/a	$46,280	$64,600

Source: EY analysis based on Statistics Canada, 2021 Census of Population.

A.4 Endnotes

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