
**CORSA COAL CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

**Annual and Special Meeting of Shareholders**

**Wednesday, May 28, 2014**

**April 22, 2014**

**NOTICE OF ANNUAL AND SPECIAL MEETING**
**OF THE SHAREHOLDERS OF CORSA COAL CORP.**

Notice is hereby given that an Annual and Special Meeting (the "Meeting") of the shareholders of **Corsa Coal Corp.** (the "Company") will be held at the **offices of Stikeman Elliott LLP, Main Boardroom, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada** on **Wednesday, May 28, 2014 at 9:00 a.m. (Toronto time)** for the following purposes:

1. to receive the audited consolidated financial statements of the Company as at and for its fiscal year ended December 31, 2013 and the report of the auditor thereon (the "Financial Statements");
2. to elect the directors of the Company who will serve until the end of the next annual meeting of shareholders or until their successors are appointed;
3. to appoint KPMG LLP, Chartered Accountants, as the auditor of the Company who will serve until the end of the next annual shareholder meeting or until their successor is appointed and to authorize the directors of the Company to fix the auditor's remuneration;
4. to approve and ratify the Company's existing stock option plan without change as more particularly described in the management information circular (the "Circular"); and,
5. to consider such other business that may properly come before the Meeting or any adjournment thereof.

The Circular and a form of proxy accompany this Notice. A copy of the Financial Statements has been filed, and is available, under the Company's profile at www.sedar.com. The Circular contains details of the matters to be considered at the Meeting.

**Record Date for Notice and Voting**

You are entitled to receive notice of and vote at the Meeting or any adjournment of the Meeting if you were a shareholder of the Company on the record date, which the board of directors of the Company has fixed as the close of business on April 23, 2014.

**Registered Shareholders**

If you are a registered shareholder of the Company, are unable to attend the Meeting in person and wish to ensure that your shares will be voted at the Meeting, you must complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. Alternatively, the form of proxy may be hand delivered to the registration table on the day of the Meeting prior to the commencement of the Meeting.

**Non-Registered Shareholders**

If your shares are held in an account with a brokerage firm or an intermediary thereof, you are not a registered shareholder of the Company. Non-registered shareholders should follow the instructions set out in the voting instruction form or other form of proxy provided by your intermediaries to ensure that your shares will be voted at the Meeting.

DATED this 22nd day of April, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "*Keith D. Dyke*"

Keith D. Dyke
President

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# MANAGEMENT INFORMATION CIRCULAR

## April 22, 2014

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Corsa Coal Corp. (the "Company") for use at the annual and special meeting of the holders (the "Shareholders") of common shares of the Company (the "Shares") or any postponements or adjournments thereof (the "Meeting") to be held on Wednesday, May 28, 2014 at 9:00 a.m. (Toronto time) at the offices of Stikeman Elliott LLP, Main Boardroom, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada for the purposes set forth in the accompanying notice of the Meeting (the "Notice").

In this Circular, (i) "Shareholder" means a Registered Shareholder and a Beneficial Shareholder; (ii) a "Registered Shareholder" means a shareholder of the Company who holds Shares in his/her/its own name and whose name appears on the register of the Company as the registered holder of Shares; (iii) a "Beneficial Shareholder" means a shareholder of the Company who does not hold Shares in his/her/its own name and instead holds his/her/its Shares through an intermediary; and (iv) an "intermediary" refers to a broker, investment firm, clearing house and similar entity that holds securities on behalf of a Beneficial Shareholder.

Except as otherwise stated, all amounts shown herein are in United States dollars.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

**The enclosed proxy is being solicited by or on behalf of the management of the Company.** The solicitation is primarily by mail, but regular employees of the Company may also solicit proxies by telephone, facsimile, e-mail or in person. The costs of soliciting proxies by management will be borne by the Company.

To be valid, duly completed and executed proxies must be received by Computershare Investor Services Inc. ("Computershare"), the Company's transfer agent and registrar, at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not later than 48 hours prior to the Meeting, or any adjournment or postponement thereof, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### Appointment of Proxyholder

**A Shareholder has the right to appoint as his or her proxyholder a person or company (who need not be a Shareholder), other than the persons designated in the form of proxy accompanying this Circular (who are directors and/or officers of the Company), to attend and to act on the Shareholder's behalf at the Meeting. A Shareholder may do so by inserting the name of such person in the blank space provided in the proxy and striking out the other names or by completing another proper form of proxy and delivering such proxy within the time limits specified above.**

### Exercise of Vote by Proxy

The Shares represented by properly executed proxies will be voted, or withheld from voting, in accordance with the instructions of the Shareholder on any ballot that may be called for at the Meeting and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, such Shares represented by properly executed proxies will be voted accordingly. **If no choice is specified with respect to any such matter, the persons designated in the accompanying form of proxy will vote in favour of the applicable matter being voted on.**

If any amendments or variations to matters identified in the accompanying Notice are proposed at the Meeting or if any other matters properly come before the Meeting, the enclosed form of proxy confers authority to vote on such amendments or variations according to the discretion of the person voting the proxy at the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice.

**Registered Shareholders**

If you are a Registered Shareholder, there are two methods by which you can vote your Shares at the Meeting, namely in person at the Meeting or by proxy. If you wish to vote in person at the Meeting, please do not complete or return the form of proxy included with this Circular. Your vote will be taken and counted at the Meeting. If you do not wish to attend the Meeting or do not wish to vote in person, properly complete and deliver a form of proxy at least 48 hours prior to the Meeting and the Shares represented by your proxy will be voted or withheld from voting in accordance with your instructions, as indicated in your form of proxy, on any ballot that may be called at the Meeting.

As a Registered Shareholder, you may vote by proxy by one of the following methods: (i) mail; (ii) telephone or; (iii) the Internet. Instructions for voting using each of these methods are detailed in the enclosed form of proxy and should be followed carefully.

A proxy must be in writing and must be executed by you as a Registered Shareholder or by your attorney authorized in writing or, if the Registered Shareholder is a company or other legal entity, by an authorized officer or attorney.

**If you complete and return a blank proxy, your Shares will be voted: (i) in favour of the persons the Company has nominated for directors; (ii) in favour of the appointment of KPMG LLP, Chartered Accountants, as the Company's independent auditor and the directors of the Company fixing the auditor's remuneration; and (iii) in favour of the approval and ratification of the Company's existing amended and restated stock option plan.**

The person to whom you give your proxy will decide how to vote on amendments or variations to the matters of business described herein and on any additional or different matters that may be properly voted on at the Meeting. Management of the Company is not aware of any such amendment, variation or additional or different matters at the date of this Circular.

For the purpose of voting by proxy, proxies marked as "WITHHOLD" will be treated as present for the purpose of determining a quorum but will not be counted as having been voted in respect of any matter to which the instruction to "WITHHOLD" is indicated.

Computershare will deal with proxies received by it in a way that preserves the confidentiality of your individual votes. However, the Company will have access to proxies as necessary to meet applicable legal requirements, including in the event of a proxy contest, or in the event a Shareholder has made a written comment or submitted a question on the proxy.

**Beneficial Shareholders**

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name.** In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators ("NI 54-101"), the Company has distributed copies of the Notice and this Circular to intermediaries for distribution to Beneficial Shareholders. If you are a Beneficial Shareholder, unless you have waived your rights to receive these materials, intermediaries are required to deliver them to you as a Beneficial Shareholder and to seek your instructions as to how to vote your Shares. Often, intermediaries will use a service company to forward these Meeting materials to Beneficial Shareholders.

Beneficial Shareholders who requested to receive Meeting materials will typically be given the ability to provide voting instructions in one of two ways. Usually a Beneficial Shareholder will be given a voting instruction form which must be completed and signed by the Beneficial Shareholder in accordance with the instructions provided by the intermediary. In this case, you ***cannot*** use the mechanisms described above for Registered Shareholders and ***must*** follow the instructions provided by the intermediary (which in some cases may allow the completion of the voting instruction form by telephone or the Internet). Occasionally, however, a Beneficial Shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Shares owned by the Beneficial Shareholder. In this case, you can complete the proxy and vote as described on the proxy.

The purpose of these procedures is to allow Beneficial Shareholders to direct the voting of the Shares that they own but that are not registered in their name. Should a Beneficial Shareholder who receives either a form of proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on his/her behalf), the Beneficial Shareholder, in the case of a form of proxy, should strike out the persons named in the form of proxy as the proxy holder and insert the name of the Beneficial Shareholder or the name of such other person in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions provided by

the intermediary. **In either case, Beneficial Shareholders should carefully follow the instructions provided by the intermediary and should contact the intermediary promptly if they need assistance.**

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the Beneficial Shareholder with respect to the voting of Shares or because under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such intermediary "non-votes" will, however, be counted in determining whether there is a quorum.

### Revocation of Proxy

*Registered Shareholders*

A Registered Shareholder executing the enclosed form of proxy has the right to revoke his/her/its proxy. A Registered Shareholder may revoke a proxy by depositing an instrument in writing, including another proxy bearing a later date, executed by the Registered Shareholder or by an attorney authorized in writing, at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting prior to being voted at the Meeting or in any other manner permitted by law. A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters he or she has voted upon and any subsequent matters to be voted on at the Meeting.

*Beneficial Shareholders*

A Beneficial Shareholder may revoke a voting instruction form, or a waiver of the right to receive materials relating to meetings of Shareholders and to vote, given to an intermediary at any time by written notice to such intermediary. Beneficial Shareholders should follow the instructions of their intermediaries who may set deadlines for receipt of instructions from the Beneficial Shareholder at least seven days prior to the Meeting, and possibly earlier, for the receipt of voting instruction forms or proxies. An intermediary is not required to act on a revocation of a voting instruction form or a waiver of the right to receive meeting materials and to vote that is not received by the intermediary prior to the deadlines that such intermediary sets. As such, Beneficial Shareholders who wish to revoke their voting instruction form or proxy should contact their intermediary as soon as possible and well in advance of the Meeting.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors of the Company and as may otherwise be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares. The Shares are the only class of securities of the Company entitled to vote at the Meeting. As at April 22, 2014, 667,107,414 Shares were issued and outstanding, each carrying the right to one vote per Share at the Meeting. At least one Shareholder present at the Meeting or by proxy will constitute a quorum.

The board of directors of the Company (the "Board") has fixed the close of business on April 23, 2014 as the record date for the purpose of determining Shareholders entitled to receive notice of and vote at the Meeting.

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Shares except as follows:

| Name of Holder | Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly as at April 22, 2014 | Approximate Percentage of Outstanding Shares |
|---|---|---|
| QKGI Legacy Holdings LP ("Legacy QKGI") and QKGI New Holdings LP ("New QKGI") | 377,191,790[(1)(2)(3)] | 56.5%[(4)(5)] |
| Lorito Holdings S.à r.l. and Zebra Holdings & Investments S.à r.l. | 71,885,000[(6)] | 10.8% |

**Notes**:

(1) Quintana Energy Partners L.P. and its affiliated funds ("Quintana"), based in Houston, Texas, are the beneficial owners of both Legacy QKGI and New QKGI. Corbin J. Robertson, Jr., a member of the investment committee of the investment adviser/manager of Quintana, together with his three adult children, Corbin J. Robertson III, William K. Robertson and Christine Robertson Morenz, control the general partner of Quintana which controls the funds' investment activities.

(2) Legacy QKGI also holds 230,157,621 WCE Redeemable Units (see "Interest of Informed Persons in Material Transactions" on page 27). Assuming tender for redemption of all such WCE Redeemable Units and acquisition by the Company of each such WCE Redeemable Unit for a Share, Legacy QKGI and New QKGI would hold an aggregate of 607,349,411 Shares.

(3) The Shares and WCE Redeemable Units issued to Legacy QKGI and New QKGI in connection with the Quintana Transaction (as defined below) were/are subject to the escrow requirements of the TSX Venture Exchange ("TSXV") and were/are deposited with Computershare. The escrow release dates were/are provided on the basis that the TSXV recognizes the Company as a "Tier 1 Issuer" and that the Company is subject to the escrow provisions applicable to a "value escrow" (as described under TSXV policies).

(4) Calculated on the basis of 667,107,414 Shares outstanding as of April 22, 2014.

(5) Assuming tender for redemption of all WCE Redeemable Units held by Legacy QKGI and New QKGI and acquisition by the Company of such WCE Redeemable Units for Shares, the approximate percentage of outstanding Shares held by Legacy QKGI and New QKGI would equal 67.7%.

(6) Information concerning the holdings of Lorito Holdings S.à r.l. and Zebra Holdings & Investments S.à r.l. has been based solely upon reports filed on the System for Electronic Disclosure by Insiders, or SEDI, at www.sedi.ca.

As at April 22, 2014, CDS & Co., the nominee of CDS Clearing and Depository Services Inc. ("CDS"), is the registered owner of 238,012,907 Shares which represents approximately 35.7% of the issued and outstanding Shares. The directors and officers of the Company understand that CDS holds these Shares as a nominee on behalf of various intermediaries and other parties but are not aware whether any person on whose behalf such Shares are held beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Shares. The names of the Beneficial Shareholders holding their Shares through CDS are not known to the Company and its directors and officers.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors of the Company or appointment of the auditor of the Company than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Financial Statements

The audited consolidated financial statements of the Company for the fiscal year ended December 31, 2013 and the report of the auditor of the Company thereon will be placed before the Meeting (the "2013 Financials"). Receipt at the Meeting of the 2013 Financials will not constitute approval or disapproval of any matters referred to therein.

The 2013 Financials and the management's discussion and analysis of the Company for the year ended December 31, 2013 are available upon request to the Company, under the Company's profile on SEDAR at www.sedar.com, or on the Company's website at www.corsacoal.com.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators – *Continuous Disclosure* ("NI 51-102") and NI 54-101, a person who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements should send the enclosed supplemental mailing list request form to Computershare, at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2X1.

## 2. Election of Directors

The articles of the Company (the "Articles") provide for a minimum of three and a maximum of fifteen directors. The Board currently consists of nine directors who are elected annually. Each director is appointed to hold such office until the next annual meeting of Shareholders or until his or her successor is duly elected unless his or her office is earlier vacated in accordance with the by-laws of the Company. The Board has set its size at nine directors.

The nine persons listed on the following pages are nominated for election as directors of the Company. All such proposed nominees are now directors of the Company and have been since the dates indicated. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted for the election of the proposed nominees listed below.** If any of the proposed nominees should for any reason be unable to serve as a director of the Company, the persons named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion. A statement of the current principal occupation, a short biography and the record of attendance at meetings of the Board and its committees during the year ended December 31, 2013 for each person nominated for election as a director of the Company is set forth below.

Other than as set out below, there are no contracts, arrangements or understandings between any director, any executive officer or any other person pursuant to which any of the nominees has been nominated.

In accordance with the investor rights agreement dated July 31, 2013 among the Company, Legacy QKGI and New QKGI (the "Investor Rights Agreement"), the Board currently comprises nine directors, as follows: (i) five nominees of Legacy QKGI and New QKGI (Corbin J. Robertson III, Alan M. De'Ath, George G. Dethlefsen, Daniel D. Smith and Ronald G. Stovash); (ii) three nominees provided by the management of Corsa (John H. Craig, Michael Harrison and Robert Scott), and (iii) one nominee being the highest ranking officer of the Company (Keith D. Dyke).

| **Name, Place of Residence, Office and Year First Became Director** | **Current Principal Occupation, Biography, Directorships and Meetings Attended** | **Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at April 22, 2014[(1)]** |
|---|---|---|
| Corbin J. Robertson III<br>Houston, Texas<br>United States<br>Director and Chairman<br>2013 | Managing Director of Quintana Minerals Corporation, an affiliate of Quintana.<br><br>Mr. Robertson III has experience with investments in a variety of energy businesses, having served both in management of private equity firms and having served on several boards of directors. Previously, he served as an associate for Sandefer Capital Partners, a $500 million energy investment fund, and as an associate for Reservoir Capital Group, a $2 billion New York-based investment firm. He also has served as a management consultant for Deloitte & Touche LLP, an advisory director to Main Street Bank, and as Vice President–Acquisitions for the general partner of Natural Resource Partners. Mr. Robertson III attended The University of Texas at Austin, where he earned a BA in Plan II and a BBA in Business Honors and Finance, and Harvard Business School, where he earned an MBA.<br><br>Mr. Robertson III currently is a director of Genesis Energy, L.P. (NYSE:GEL).<br><br>Meetings attended:<br>Board – 3 of 4.<br><br>Mr. Robertson III was appointed as a director on July 31, 2013 in connection with the completion of the Quintana Transaction. | Nil[(2)] |

| Name, Place of Residence, Office and Year First Became Director | Current Principal Occupation, Biography, Directorships and Meetings Attended | Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at April 22, 2014[1] |
|---|---|---|
| John H. Craig<br>Toronto, Ontario<br>Canada<br>Director<br>2010 | Partner at Cassels Brock and Blackwell LLP since 1994.<br><br>Mr. Craig is a partner at Cassels Brock and Blackwell LLP, specializing in securities law for over 35 years acting primarily for public mining companies.<br><br>Mr. Craig is currently a director of Lundin Mining Corporation (TSX:LUN), Denison Mines Corp. (TSX:DML); Black Pearl Resources Inc. (TSX:PXX) Consolidated HCI Holdings Corporation (TSX:CXA.B); and Africa Oil Corp. (TSXV:AOI).<br><br>Meetings attended:<br>Board – 12 of 13;<br><br>Mr. Craig was a member of the Human Resources and Corporate Governance Committee[3] until July 31, 2013. There were no meetings of the Committee from January 1 to July 31, 2013. | 390,000 |
| Alan M. De'Ath [4][5]<br>Oakville, Ontario<br>Canada<br>Director<br>2013 | President of JSA Precious Metals Trading Corporation; Director and President of Alan De'Ath Consulting Inc.<br><br>Mr. De'Ath retired in December 2012 after having served as a President and CEO and a director of Ivernia Inc. since 2003. Mr. De'Ath has over 30 years of progressive international financial, commercial, corporate and operational experience in the mining industry. Previously, he was Senior Vice-President and CFO of TVX Gold Inc. Prior to joining TVX Gold Inc., Mr. De'Ath was Finance Director and Commercial Director, as well as an executive board member, of subsidiaries of Rio Tinto plc. in Namibia and Portugal, respectively. He is a fellow of the Chartered Institute of Management Accountants (UK) and a Chartered Global Management Accountant.<br><br>Mr. De'Ath is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board – 4 of 4;<br>Audit Committee – 4 of 4;<br>Health and Safety Committee – 2 of 2.<br><br>Mr. De'Ath was appointed as a director on July 31, 2013 in connection with the completion of the Quintana Transaction.<br><br>Mr. De'Ath was appointed to the Audit Committee and the Health and Safety Committee on July 31, 2013. | Nil |

| Name, Place of Residence, Office and Year First Became Director | Current Principal Occupation, Biography, Directorships and Meetings Attended | Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at April 22, 2014[(1)] |
|---|---|---|
| George G. Dethlefsen[(6)]<br>Houston, Texas<br>United States<br>Director<br>2013 | Managing Director – Investments of Quintana Capital Group, an affiliate of Quintana.<br><br>As Managing Director – Investments of Quintana Capital Group, Mr. Dethlefsen is responsible for sourcing, evaluating and executing investments, as well as managing and monitoring the activities of Quintana's portfolio companies. Previously, he was an Associate with the general partner of Natural Resource Partners, conducting corporate finance and valuation activities. Prior to joining Natural Resource Partners, Mr. Dethlefsen was with Goldman, Sachs & Co.'s investment banking division, where he worked with energy, power and consumer products companies. Mr. Dethlefsen attended Rice University, where he earned a BA in Economics and Managerial Studies, and The University of Texas at Austin, where he earned an MBA.<br><br>Mr. Dethlefsen is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board – 4 of 4;<br>Compensation Committee – 2 of 2.<br><br>Mr. Dethlefsen was appointed as a director on July 31, 2013 in connection with the completion of the Quintana Transaction.<br><br>Mr. Dethlefsen was appointed to the Compensation Committee on July 31, 2013. | Nil |
| Keith D. Dyke<br>Knoxville, Tennessee<br>United States<br>Director and President<br>2013 | President of the Company.<br><br>Mr. Dyke has more than 30 years of diverse mining experience involving mining operations management with a focus on improved productivity, lower costs, and safety and environmental compliance. Mr. Dyke graduated from West Virginia University at Montgomery with a Bachelor degree in Civil Engineering and then completed his MBA at Xavier University. Upon completion of the Quintana Transaction, Mr. Dyke was appointed President of the Company. Prior to the completion of the Quintana Transaction, Mr. Dyke was President of Kopper Glo Fuel, Inc. and Kopper Glo Mining, LLC, the operating entities of Kopper Glo (as defined below).<br><br>Mr. Dyke is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board – 2 of 2.<br><br>Mr. Dyke was elected as a director on September 18, 2013. | Nil[(7)] |

| Name, Place of Residence, Office and Year First Became Director | Current Principal Occupation, Biography, Directorships and Meetings Attended | Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at April 22, 2014[(1)] |
|---|---|---|
| Michael Harrison[(6)]<br>Toronto, Ontario<br>Canada<br>Director<br>2011 | Vice President, Corporate Development of Coeur Mining, Inc. since March 2011.<br><br>Mr. Harrison has over 15 years of capital markets and mining industry experience. Prior to joining Coeur Mining, Inc., Mr. Harrison was a Director of Investment Banking at Cormark Securities and also worked internationally for BHP Billiton in their exploration division<br><br>Mr. Harrison is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board - 13 of 13;<br>Audit Committee – 6 of 6;<br>Compensation Committee – 2 of 2.<br><br>Mr. Harrison was a member of the Audit Committee and the Health and Safety Committee until July 31, 2013. There were no meetings of the Health and Safety Committee from January 1 to July 31, 2013.<br><br>Mr. Harrison was appointed to the Compensation Committee on July 31, 2013. | 481,600 |
| Robert Scott[(4)(5)(6)]<br>Bonita Springs, Florida<br>United States<br>Director<br>2009 | Retired.<br><br>Mr. Scott has over 40 years of experience in the coal industry, most recently as President and Chief Executive Officer of PBS Coals Inc.<br><br>Mr. Scott is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board – 12 of 13;<br>Audit Committee – 6 of 6;<br>Health and Safety Committee – 2 of 2;<br>Compensation Committee – 2 of 2.<br><br>Mr. Scott was a member of the Human Resources and Corporate Governance Committee[(3)] until July 31, 2013. There were no meetings of the Human Resources and Corporate Governance Committee from January 1 to July 31, 2013.<br><br>Mr. Scott was appointed to the Health and Safety Committee and the Compensation Committee on July 31, 2013. | 2,937,600[(8)] |

| Name, Place of Residence, Office and Year First Became Director | Current Principal Occupation, Biography, Directorships and Meetings Attended | Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at April 22, 2014[(1)] |
|---|---|---|
| Daniel D. Smith[(4)]<br>Blacksburg, Virginia<br>United States<br>Director<br>2013 | Retired.<br><br>Mr. Smith retired effective July 1, 2013 as Senior Vice President Energy & Properties for Norfolk Southern Corporation, which included responsibility for all coal marketing, real estate including subsidiary Pocahontas Land Corporation. Before assuming this position, Mr. Smith was President NS Development from 2001 to 2003, President of Pocahontas Land from 1995 to the present, and prior to that held several positions with Pocahontas Land. Mr. Smith received his Bachelor of Science degree in Industrial Engineering and Operations Research from Virginia Tech in 1976. He is also a registered professional mining engineer in the states of Alabama, Illinois, Kentucky, Ohio, Pennsylvania, Virginia, and West Virginia. He served on several professional boards, including the American Coal Council, National Coal Council, Virginia Center for Coal, West Virginia Coal Association and Energy Research, and Virginia Coalfield Economic Development Authority.<br><br>Mr. Smith is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board – 3 of 4;<br>Audit Committee – 4 of 4.<br><br>Mr. Smith was appointed as a director on July 31, 2013 in connection with the completion of the Quintana Transaction.<br><br>Mr. Smith was appointed to the Audit Committee on July 31, 2013. | Nil |

| Name, Place of Residence, Office and Year First Became Director | Current Principal Occupation, Biography, Directorships and Meetings Attended | Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at April 22, 2014[1] |
|---|---|---|
| Ronald G. Stovash[5][6]<br>Naples, Florida<br>United States<br>Director<br>2013 | Retired.<br><br>Mr. Stovash was President and Chief Executive Officer, and a Director, of Colombia Energy Resources Inc. from August 2011 to November 2012. Mr. Stovash has spent over 45 years in the coal industry as a senior industry executive with experience in operations, engineering, marketing, transportation and corporate administration. Previously, he was a consultant from 2008 to 2011 and, from 2007 to 2008, the President and Chief Executive Officer of PinnOak Resources, LLC, a metallurgical coal mining company sold to Cliffs Natural Resources, Inc. Mr. Stovash spent virtually his entire career at CONSOL Energy and its predecessor companies, having joined the company's Pittsburgh Coal Division in 1967 as an hourly employee while attending college and retiring as Senior Vice President of Coal Operations in 2007. He held several senior management positions at CONSOL, including Senior Vice President of Coal Operations, Senior Vice President of Planning and Administration, Senior Vice President of Operations Development, Senior Vice President of Central Appalachia Operations and Marketing, Vice President Sales and Marketing, Vice President of Marketing Services, and Vice President of Operations. Mr. Stovash served as a member of the Board of the National Coal Transportation Association, National Mining Association Transportation Steering Committee, United States Marine Transportation System National Advisory Council, United States Inland Waterway Users Board, and various State coal associations. He was a representative on the World Coal Institute (WCI) in Brussels, Belgium and the International Energy Agency (IEB-CIAB) in Paris, France. He received a Bachelor of Science degree in Electrical Engineering from the University of Pittsburgh in 1970, a degree in Economic Evaluation and Decision Methods from the Colorado School of Mines in 1974, and a degree in Executive Management Program from the University of Illinois in 1984.<br><br>Mr. Stovash is not a director of any other reporting issuers.<br><br>Meetings attended:<br>Board – 3 of 4;<br>Health and Safety Committee – 2 of 2;<br>Compensation Committee – 2 of 2.<br><br>Mr. Stovash was appointed as a director on July 31, 2013 in connection with the completion of the Quintana Transaction.<br><br>Mr. Stovash was appointed to the Health and Safety Committee and the Compensation Committee on July 31, 2013. | Nil |

**Notes**:

(1) The information as to principal occupation, business or employment and Shares beneficially owned or controlled has been provided by the respective nominees. Certain nominees for director of the Company also hold options to purchase Shares. See "Compensation Information - Compensation of Directors" for additional information.

(2) Quintana is the beneficial owner of both Legacy QKGI and New QKGI (see "Voting Securities and Principal Holders of Voting Securities" above). Mr. Robertson III is the son of Corbin J. Robertson, Jr., a member of the investment committee of the investment adviser/manager of Quintana, who together with his three adult children, Mr. Robertson III, William K. Robertson and Christine Robertson Morenz, control the general partner of Quintana which controls the funds' investment activities.

(3) On July 31, 2013 and following the completion of the Quintana Transaction, the Board's Human Resources and Corporate Governance Committee (the "Human Resources Committee") was replaced by the Compensation, Nominating and Governance Committee, which adopted the mandate of the Human Resources Committee.

(4) Current member of the Audit Committee of the Board. The Board will appoint the members of the Audit Committee for the ensuing year following the Meeting.

(5) Current member of the Health, Safety and Environment Committee of the Board (the "Health and Safety Committee"). The Board will appoint the members of the Health and Safety Committee for the ensuing year following the Meeting.

(6) Current member of the Compensation, Nominating and Governance Committee of the Board (the "Compensation Committee"). The Board will appoint the members of the Compensation Committee for the ensuing year following the Meeting.

(7) Mr. Dyke indirectly holds a significant interest in Corsa due to his ownership position in Legacy QKGI. Mr. Dyke holds: (i) a non-controlling equity interest in Legacy QKGI of approximately five percent; and (ii) 70% of certain profit interest-like securities of Legacy QKGI. See "Interest of Informed Persons in Material Transactions" for further information.

(8) 1,900,000 of these Shares are held by an irrevocable trust for the benefit of Mr. Scott's children for which Mr. Scott is not a trustee.

**Unless such authority is withheld, the persons named in the enclosed proxy intend to vote FOR the election of said persons as directors of the Company.**

***Penalties or Sanctions***

To the knowledge of management of the Company, no proposed director or executive officer of the Company, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

***Individual Bankruptcies***

No director of the Company is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

***Corporate Cease Trade Orders or Bankruptcies***

No proposed director of the Company is, or has been within the past ten years, a director or executive officer of any company that, while such person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation that was in effect for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after that individual ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation that was in effect for a period of more than 30 consecutive days; or

(c) or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## 3. Appointment and Remuneration of the Auditor

On October 7, 2013, Ernst & Young LLP, Chartered Accountants ("E&Y") resigned and the Company appointed KPMG LLP ("KPMG"), Chartered Accountants, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5, as the successor auditor effective as of the same date. E&Y had been the auditor of the Company since March 7, 2011. E&Y resigned of its own initiative. The resignation of E&Y and the appointment of KPMG as the successor auditor was considered and approved by the Audit Committee and the Board. There were no reservations in E&Y's reports in connection with the audits of the Company's two most recently completed fiscal years and any period subsequent to the most recently completed fiscal year for which an audit report was issued and ending the date of E&Y's resignation as auditor. There were no "reportable events" as such term is defined in Section 4.11 of NI 51-102.

Attached as Schedule A to this Circular is a copy of the Reporting Package (as defined in NI 51-102), which includes the Notice of Change of Auditor and letters from the former auditor and success

auditor, which was filed with the requisite securities regulatory authorities on SEDAR (www.sedar.com) on November 6, 2013.

Shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution to appoint KPMG to serve as auditors of the Company until the next annual meeting of shareholders or until their successor is appointed and to authorize the directors of the Company to fix their remuneration as such.

**Unless such authority is withheld, the persons named in the proxy intend to vote FOR the appointment of KPMG as the auditor of the Company to hold office until the next annual meeting of the Shareholders or until their successor is appointed and authorize the directors of the Company to fix KPMG's remuneration.**

## 4. Approval of the Stock Option Plan

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve and ratify the Company's existing amended and restated stock option plan (the "2011 Plan"), attached as Schedule B to this Circular. No changes are being made to the 2011 Plan as approved at the last meeting of Shareholders. Under the requirements of the policies of the TSXV, annual ratification is required. A summary of the 2011 Plan is set out below. The 2011 Plan complies with the requirements and restrictions of the TSXV.

There are currently 40,711,667 stock options ("Options") outstanding under the 2011 Plan representing approximately 6.1% of the total number of Shares outstanding on April 22, 2014.

Employees, executive officers, directors and consultants of the Company or an affiliate of the Company (the "Eligible Persons") are eligible to participate in the 2011 Plan. The purpose of the 2011 Plan is to advance the interests of the Company by (i) providing Eligible Persons with additional incentives; (ii) encouraging equity ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the Company's success; (iv) encouraging Eligible Persons to remain with the Company or its affiliates; and (v) attracting new employees, directors and officers. Options may not be assigned or transferred, with the exception of (i) an assignment made to a personal representative of a deceased participant, or (ii) an assignment by a participant, with the prior approval of the Board, to a corporation of which that participant is the sole beneficial owner.

The number of Shares reserved for issuance under the 2011 Plan and all of the Company's previously established share compensation arrangements in the aggregate will not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis. In addition, the number of Shares reserved for issuance to the insiders of the Company will not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis.

Within a 12-month period, the 2011 Plan provides that the maximum number of Shares issuable upon the exercise of Options will not exceed: (i) to any one participant, 5% of the total number of issued and outstanding Shares on the date of grant; (ii) to insiders as a group, 10% of the total number of issued and outstanding Shares on the date of grant; (iii) to any one consultant, 2% in the aggregate of the total number of issued and outstanding Shares on the date of grant; and (iv) to all Eligible Persons who undertake Investor Relations Activities (as defined in the 2011 Plan), 2% in the aggregate of the total number of issued and outstanding Shares on the date of grant.

The Board will determine the exercise price of each Option, provided the exercise price will not be less than the closing price of the Shares on the last trading day immediately prior to the date of grant. The expiry date for each Option is set by the Board at the time of the grant of the Option under the 2011 Plan and will not be more than ten years after the grant of the Option. If the Board does not set an expiry date at the time of the grant of the Option, such Option will have an expiry date which is five years from the date of grant of the Option.

Options granted under the 2011 Plan expire at the earlier of the expiry date set at the time of the grant of the Option, and (i) 365 days after the death or disability of a participant; (ii) at the date of termination in the event of the participant's termination for cause; and (iii) 90 days (30 days if the participant was engaged in Investor Relations Activities) following the participant ceasing to be eligible as a participant for any other reason.

The Board, subject to the policies of the TSXV, fixes vesting terms it deems appropriate when granting Options. If the Board does not specify otherwise, Options granted under the 2011 Plan will vest and become exercisable as to one-third on each of the first, second and third anniversaries of the date of grant. Options granted to consultants performing Investor Relations Activities must vest, at minimum,

in stages over 12 months with no more than one-quarter of the Options vesting in any three month period but may have longer vesting provisions as set by the Board on the date of grant.

In the event of a proposed Change of Control (as defined in the 2011 Plan), the Board has the discretion to accelerate the vesting of all unvested Options. In such event, all Options so vested will be exercisable, conditionally or otherwise, from such date until their respective expiry dates to permit the participant to participate in the Change of Control. The Board also has the discretion to: (i) terminate Options not exercised prior to the effective time of such Change of Control; and/or (ii) modify the terms of the Options, so as to assist participants to participate in the Change of Control.

The Board has the discretion to certain make amendments to the 2011 Plan or any Option, without having to obtain shareholder approval, such as amendments relating to: (i) the exercise of Options, including by the inclusion of a cashless exercise feature whereby payment is in cash or Shares or otherwise; (ii) the expiry of outstanding Options; (iii) when deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws; (iv) the assignability and transferability of Options; (v) the definitions and Change of Control provisions; (vi) the administration of the 2011 Plan; (vii) the vesting provisions of any outstanding Options; (viii) the class of participants eligible to participate under the Plan; and (ix) of a clerical or housekeeping nature.

The 2011 Plan also provides that shareholder approval will be required in the case of amendments to the Plan relating to: (i) an increase in the maximum number of Shares issuable under the 2011 Plan or increasing or removing the insider participation limits; (ii) an amendment to the provisions of the 2011 Plan; (iii) a change the exercise price of any Option issued to an insider where such amendment reduces the exercise price of such Option; or (iv) the term of any Option issued under the 2011 Plan to an insider where the amendment extends the term.

## REPORT OF VOTING RESULTS

The Company will report the voting results from the Meeting, or any postponement or adjournment thereof, under its profile on SEDAR at www.sedar.com.

## AUDIT COMMITTEE DISCLOSURE

The Audit Committee adopted a charter of the Audit Committee on September 30, 2009, which was amended and reconfirmed on April 26, 2011 (the "Audit Committee Charter"). The Audit Committee Charter is set out in full in Schedule C to this Circular.

### *Composition*

As of the date hereof, the Audit Committee is comprised of Messrs. Alan M. De'Ath, Robert Scott and Daniel D. Smith. All members of the Audit Committee are "independent" and "financially literate" as such terms are defined in National Instrument 52-110, *Audit Committees* ("NI 52-110"). Mr. De'Ath is the Chairman of the Audit Committee.

### *Relevant Education and Experience*

The following provides a summary of the relevant education and experience of the members of the Audit Committee.

| Member | Relevant Education and/or Experience |
|---|---|
| Alan M. De'Ath<br>Chairman | Mr. De'Ath has over 30 years of progressive international financial, commercial, corporate and operational experience in the mining industry. Mr. De'Ath has been the CEO of a public company responsible for the oversight of financial reporting and he is a fellow of the Chartered Institute of Management Accountants (UK) and a Chartered Global Management Accountant. |
| Robert Scott | Mr. Scott has over 40 years of experience in the coal industry, most recently as President and CEO of PBS Coals Ltd. Mr. Scott is a Scottish Chartered Accountant and a Chartered Management Accountant. |
| Daniel D. Smith | Mr. Smith has over 30 years of experience in the mining industry. Mr. Smith retired effective July 1, 2013 as Senior Vice President Energy & Properties for Norfolk Southern Corporation, which included responsibility for all coal marketing, real estate including subsidiary Pocahontas Land Corporation. He is also a registered professional mining engineer in the states of Alabama, Illinois, Kentucky, Ohio, Pennsylvania, Virginia, and West Virginia. |

### *Pre-Approval Policies and Procedures*

In accordance with NI 52-110 and with the Audit Committee Charter, the Audit Committee has the sole authority to pre-approve: (i) all auditing services, including all engagement fees and terms, and (ii) all non-audit services, including certain tax services to be performed by the Company's independent auditor. The Audit Committee currently approves any such proposed audit and non-audit matters prior to the services being performed.

### *External Auditor Service Fees (By Category)*

The following table presents, by category, the fees paid by the Company to E&Y, the former external auditor of the Company, and KPMG, the current external auditor of the Company during the fiscal year ended December 31, 2013, for services provided to the Company during the fiscal years ended December 31, 2013 ("2013FY") and November 30, 2012 ("2012FY"):

| Category of Fee | Description | 2013FY[(1)] | 2012FY[(2)] |
|---|---|---|---|
| Audit Fees | Fees billed by the Company's external auditor in connection with the audit of the Company's annual financial statements and with the review of the Company's interim financial statements. | $312,507 | $187,707 |
| Audit-Related Fees | IFRS adoption. | Nil | $44,901 |
| Tax Fees | Tax compliance and the preparation of tax returns. | Nil | $27,080 |
| All Other Fees | Fees billed by the Company's external auditor in connection with services provided relating to an acquisition, a financing and certain tax advice. | $337,191 | Nil |
| **Total Fees** | | **$659,698** | **$259,688** |

**Notes**:

(1) The fees in CDN$ were translated to US$ using a CDN$ to US$ exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(2) The fees in CDN$ were translated to US$ using a CDN$ to US$ exchange rate of 0.9978, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2011 to November 30, 2012.

The Company is relying on the exemption from the requirements of Part 3 (Composition of the Audit Committee) of NI 52-110 pursuant to section 6.1 of NI 52-110.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance and to comply with the corporate governance guidelines and requirements of the TSXV and provincial securities commissions. The Compensation Committee periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company and the Compensation Committee is directly responsible for developing the Company's approach to corporate governance.

Under the rules of National Instrument 58-101 - *Corporate Governance Practices* ("NI 58-101"), the Company is required to disclose information relating to its system of corporate governance with reference to Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)*. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

The Company has separate management and Board functions in place. A summary of the responsibilities, activities and membership of each of the Committees are set out below.

### *Independence of Members of Board*

The Company's Board currently consists of nine directors, eight of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. Corbin J. Robertson III, John H. Craig, Alan De'Ath, George G. Dethlefsen, Michael Harrison, Robert Scott, Daniel D. Smith and Ronald G. Stovash are considered to be independent directors of the Company. Mr. Keith D. Dyke is not considered to be independent as he is an executive officer of the Company. The Board operates with three committees

of the Board, namely, the Audit Committee, the Health and Safety Committee and the Compensation Committee. All of the members of each of these committees of the Board are independent. The committees of the Board operate pursuant to written mandates which are reviewed, updated as appropriate and reconfirmed periodically by each of the respective committees of the Board and the Board.

***Management Supervision by Board***

The Board is comprised of a majority of independent directors and the Chairman of the Company is independent. The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors of the Company. The Board facilitates its independent supervision over management of the Company by holding periodic meetings of the Board to approve various appropriate matters and discuss the business and operations of the Company. The Board has free access to the Company's external auditor, legal counsel and to any of the Company's officers. Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

***Participation of Directors in Other Reporting Issuers***

The Board has not adopted a formal policy limiting the number of directors who sit on a board of another public company but believes disclosure of other board memberships is important. Given that many of the directors have a variety of business interests, directors are required to disclose to the Board or any applicable committee thereof, any real or perceived conflict in relation to any matter or proposed matter to be considered and in such circumstances it is the Board's policy that such directors excuse themselves from all deliberations on such matters. The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Circular.

***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent and historical, publicly filed documents of the Company, technical reports and the Company's internal financial information; and
3. access to management, technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

***Ethical Business Conduct***

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct, which is posted on its website at www.corsacoal.com and under its SEDAR profile at www.sedar.com.

***Nomination of Directors***

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates.

The Board, taking into consideration recommendations from the Compensation Committee, considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experiences. All of the members of the Compensation Committee are independent directors of the Company. The Compensation Committee is responsible for reviewing with the Board on an annual basis, the size and composition of the Board with a view to ensuring that the members of the Board have the independence, expertise, experience, personal qualities and ability to make the necessary time commitment to the Company. The Compensation Committee has the responsibility to identify and propose to the Board nominees for election as directors.

The Board approved the increase in the size of the Board from eight to nine directors. The Board has been determined, based on the current size and operations of the Company, that the current size of the Board of nine directors and the composition of the Board are appropriate for the Company at this time.

Board nominations and composition are subject to the Investor Rights Agreement.

***Compensation of Directors and President***

The members of the Compensation Committee are Messrs. George G. Dethlefsen (chairman), Michael Harrison, Robert Scott and Ronald G. Stovash, each an independent director of the Company. The Compensation Committee (as did the Human Resources Committee) has responsibility for determining compensation for the directors and senior management. To determine compensation payable, the Compensation Committee reviews compensation paid for directors and Presidents/CEOs of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation package reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting compensation, the Compensation Committee annually reviews the performance of the President in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives. See "Compensation Information " for further information.

***Board Committees***

The Board has established an Audit Committee whose mandate and composition is discussed in this Circular. The mandates of the Health and Safety Committee and Compensation Committee are described in this Statement of Corporate Governance Practices and in the Compensation Discussion and Analysis set out below. Each committee of the Board operates pursuant to a written mandate which is reviewed and reconfirmed by such committee and the Board. As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees (other than the Audit, Health and Safety and Compensation Committees) are not necessary at this stage of the Company's development.

***Nomination and Assessment***

Subject to the Investor Rights Agreement, the Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members of the Company.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

***Expectations of Management***

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## COMPENSATION INFORMATION

***Compensation Discussion and Analysis***

*Introduction*

As of the date hereof, the Compensation Committee is comprised of Messrs. George G. Dethlefsen, Michael Harrison, Robert Scott and Ronald G. Stovash. All of the members of the Compensation Committee are and were considered independent directors of the Company pursuant to NI 58-101 and NI 52-110. Mr. Dethlefsen is the chairman of the Compensation Committee. For further information on the powers and responsibilities of the Compensation Committee, see "Compensation of Directors and or President" above.

The relevant education and experience of the members of the Compensation Committee is set out beside each director under "Election of Directors" above.

This compensation discussion and analysis describes and explains the Company's policies and practices with respect to the compensation of its named executive officers, being the Chief Executive Officer or any individual who acted in a similar capacity ("CEO") and Chief Financial Officer or any

individual who acted in a similar capacity ("CFO") and the three most highly compensated executive officers other than the CEO and the CFO (collectively, with the CEO and CFO, the "NEOs") for the fiscal year ended December 31, 2013 ("2013FY") notwithstanding that such NEOs may no longer have been the CEO or the CFO of the Company at the end of the each fiscal year. Corsa's NEOs were as follows: Mr. Keith D. Dyke , President; Mr. Donald K. Charter, former President and Chief Executive Officer (January 1 to July 31, 2013); Mr. Paul D. Caldwell, Chief Financial Officer and Corporate Secretary; Mr. Joseph Gallo, President of Wilson Creek; Mr. Ronald Helton, Manager of Underground Operations of Kopper Glo; and Johnny L. Gaertner, Chief Financial Officer of Kopper Glo.

The Human Resources Committee determined, and the Compensation Committee now determines the compensation of the Company's CEO and/or President and the directors of the Company with a view to ensuring that the remuneration appropriately reflects the responsibilities and risks involved in being an effective executive officer and/or director of the Company. The Human Resources Committee periodically reviewed, and the Compensation Committee now periodically reviews the Company's compensation philosophy and objectives taking into consideration various factors discussed below.

A summary of the compensation received by the NEOs for the 2013FY is provided under the heading "Summary Compensation Table" below. A summary of the compensation received by the directors of the Company for the 2013FY is provided under the heading "Director Compensation" below.

*Objectives of the Compensation Program*

The objectives of the Company's compensation programs are as follows:

- to attract and retain talented, high-achieving executives that have a demonstrated track record of achieving results which is critical to the success of the Company and the creation and protection of long-term shareholder value, and
- to align the interests of such executives with those of the Shareholders to achieve goals consistent with the Company's business strategy which help create long-term shareholder value.

*Elements of Compensation*

2013FY was a transition year for the Company. Accordingly, Corsa's compensation practices were flexible and geared to the circumstances of the Company during this period. During 2013FY, the key elements used to compensate the NEOs were base salary, annual cash bonuses and long-term incentives in the form of stock options.

There has been intense competition in the mining industry for executives who have extensive industry experience and the necessary skills to achieve specified corporate objectives and deliver long-term shareholder value. The Company believes that providing competitive overall compensation enables the Company to attract and retain qualified executives. Grants of incentives in the form of stock options serve to further encourage the retention of the Company's NEOs while incentivizing the NEOs to create and protect shareholder value.

*Determination of Compensation*

The Human Resources Committee was, and the Compensation Committee now is, among other things, responsible for determining all forms of the CEO's compensation and for evaluating the CEO's performance and that of the other NEOs. The general corporate goals and objectives of the NEOs for 2013FY related to an equity financing and the continuing development of the underground start up of its mining operations and processing operations at Wilson Creek and Kopper Glo.

*Base Salaries* – Base salaries for the NEOs are generally fixed by the Board with the recommendations from the Compensation Committee (formerly the Human Resources Committee). Increases or decreases on a year over year basis are dependent on the Compensation Committee's assessment of the performance of the Company overall, the Company's projects and the individual's overall performance and skills. In determining such amounts, the Compensation Committee generally balances the compensation objectives set out herein including the experience, skill and scope of responsibility of the executive with the goal of keeping cash compensation for its executive officers within the range of cash compensation paid by companies of similar size and industry. The base salaries for the NEOs are set out below.

*Annual Cash Bonuses* - The granting of cash bonuses is reviewed annually and awards are made at the discretion of the Compensation Committee, which exercises its judgment in making recommendations to that effect to the Board. Each year, the Compensation Committee considers several individual and corporate performance criteria in determining whether to allocate an annual cash bonus as well as the amount to be granted, if any. The objective of the cash bonus is to reward an executive officer or

employee for individual and/or corporate performance, within the context of predetermined performance objectives, which can include both qualitative and quantitative objectives. The Board reviews and approves recommendations for cash bonuses from the Compensation Committee.

*Option-Based Awards* - Equity incentive compensation in the form of stock options comprises a significant portion of overall compensation for the NEOs and the Board. The Compensation Committee believes that this is appropriate because it creates a strong correlation between variations in the Company's share price and the compensation of its executives, thereby aligning the interests of the Company's executives and Shareholders.

The 2011 Plan provides that Options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The grant of Options to the Company's executive officers is determined by the Board as recommended by the Compensation Committee. Options assist the Company in attracting, motivating and retaining top talent. The Company has used initial larger one-time grants to recruit new executives and directors to ensure that the NEOs have a significant stake in the performance of the Company. The Compensation Committee reviews the Option schedule periodically during each financial year and the contributions made to the Company by executive officers to determine whether additional Option grants should be made and previous grants of Options are taken in account when considering new grants. Options issued to date have a term of five years which encourages the long-term retention of the Company's officers, employees and consultants.

The Company does not permit a NEO or director to purchase financial instruments for hedging purposes relative to securities granted as compensation.

***Summary Compensation Table***

The following table sets forth compensation information for the previous fiscal years ended December 31, 2013 ("2013FY"), November 30, 2012 ("2012FY") and November 30, 2011 ("2011FY") for the following NEOs: the CEO; the CFO; and other NEOs. During 2013FY, 2012 FY and FY2011 the Company did not have a share-based awards plan, long-term incentive plan or pension plan.

| Name and Principal Position | Fiscal Year | Salary ($) | Option Based Awards[(1)] ($) | Non-Equity Annual Incentive Plan Compen-sation ($) | All Other Compen-sation ($)[(2)] | Total Compen-sation ($) |
|---|---|---|---|---|---|---|
| Keith D. Dyke[(3)]<br>President | 2013 | 117,275 | 161,866[(4)] | 200,000 | 3,518[(5)] | 482,659 |
| Donald K. Charter[(6)] | 2013 | 58,248 | Nil | Nil | 698,976[(7)] | 757,224 |
| Former President and Chief | 2012 | Nil | 24,290[(8)] | Nil | 4,580[(9)] | 28,870 |
| Executive Officer | 2011 | Nil | 1,245,653[(10)] | Nil | 3,543[(11)] | 1,249,196 |
| Paul D. Caldwell[(12)] | 2013 | 165,440 | 121,400 [(13)] | 46,250 | Nil | 333,090 |
| Chief Financial Officer and | 2012 | 178,772 | 118,831[(14)] | Nil | Nil | 297,604 |
| Corporate Secretary | 2011 | 180,872 | 118,090[(15)] | Nil | Nil | 298,962 |
| Joseph Gallo[(16)] | 2013 | 197,917 | 121,400 [(17)] | 25,000 | 8,750[(18)] | 353,067 |
| President | 2012 | 111,923 | 48,580[(19)] | Nil | 3,358[(20)] | 160,503 |
| Wilson Creek Energy, LLC | 2011 | 147,115 | 168,700[(21)] | Nil | 4,413[(22)] | 315,815 |
| Ronald Helton [(23)]<br>Manager of Underground Operations<br>Kopper Glo Mining, LLC | 2013 | 85,000 | 80,933[(24)] | 145,000 | 2,550[(25)] | 313,483 |
| Johnny L. Gaertner[(26)]<br>Chief Financial Officer<br>Kopper Glo Mining, LLC | 2013 | 51,833 | 80,933[(27)] | 140,000 | 1,555[(28)] | 274,321 |

**Notes**:

(1) The value of the options to purchase Shares is an accounting fair value calculated using the Black-Scholes fair value option-pricing model ("Black-Scholes") in accordance with International Financial Reporting Standards ("IFRS"). The key assumptions used are determined at each grant date. For each grant, the Company has assumed no dividend yield and a forfeiture rate of 4%. The Company used the Black-

Scholes valuation methodology for calculating the value of options because Black-Scholes is a recognized tool for valuation methodology and is appropriate for the Company.

(2) Perquisites and other benefits are less than $50,000, or 10% of total salary, per annum for any NEO, unless otherwise noted.

(3) Mr. Dyke was appointed President of the Company on July 31, 2013 at an annual salary of $281,459. His 2013FY salary is prorated to reflect the employment start date. The Non-Equity Incentive Plan Compensation amount is for 2013FY and includes the period of January 1 to July 31, 2013 before the Company acquired Kopper Glo Mining, LLC ("KGM"). Prior to the acquisition, Mr. Dyke was President of KGM from March 20, 2009. Mr. Dyke's compensation is paid by KGM.

(4) Options to purchase 2,000,000 Shares at an exercise price of CDN$0.17 per share were granted on October 23, 2013. Each of the Options granted have an estimated grant date fair value of CDN$0.0834 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – 2 to 4 years, risk free interest rate – 0.31% to 0.95% and expected volatility – 112% to 123%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(5) Company contribution to the KGM 401(k) plan, which is a personal retirement savings plan, of 3% of salary. The KGM 401(k) plan was implemented and became effective as of January 1, 2013. See "Compensation Information – Retirement Benefits" for additional information.

(6) Mr. Charter was appointed President and CEO of the Company on August 16, 2010. For austerity purposes, Mr. Charter voluntarily elected not to receive any cash compensation for 2011FY and 2012FY. Mr. Charter received an annual salary of CDN$180,000 from April 1 to July 31, 2013 pursuant to a separation agreement that Mr. Charter and the Company entered into on March 21, 2013. Mr. Charter resigned as a director and as President and Chief Executive Officer of the Company on July 31, 2013. The total amount in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(7) Lump sum payment of CDN$720,000 pursuant to a separation agreement that Mr. Charter and the Company entered into on March 21, 2013. The total amount in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(8) Options to purchase 250,000 Shares at an exercise price of CDN$0.25 per share were granted on October 30, 2012. Each of the Options granted have an estimated grant date fair value of CDN$0.10 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two to four years, risk free interest rate – 0.30% to 0.55% and expected volatility – 108.06% to 132.07%. The total amount in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9978, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2011 to November 30, 2012.

(9) The Company paid for Mr. Charter's parking at a cost of CDN$4,590. The total amount in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9978, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2011 to November 30, 2012.

(10) (a) Options to purchase 500,000 Shares at an exercise price of CDN$0.55 per share were granted on December 8, 2010. Each of the Options granted have an estimated grant date fair value of CDN$0.29 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two years, risk free interest rate – 1.68% and expected volatility – 139.72%.

(b) Options to purchase 2,500,000 Shares at an exercise price of CDN$0.55 per share were granted on December 8, 2010. Each of the Options granted have an estimated grant date average fair value of CDN$0.33 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two to four years, risk free interest rate – 1.68% to 2.20%, expected volatility – 139.72% to 139.78%.

(c) Options to purchase 750,000 Shares at an exercise price of CDN$0.53 per share were granted on October 13, 2011. Each of the Options granted have an estimated grant date fair value of CDN$0.21 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two years, risk free interest rate – 0.98% and expected volatility – 104.23%.

(d) Options to purchase 250,000 Shares at an exercise price of CDN$0.53 per share were granted on October 13, 2011. Each of the Options granted have an estimated grant date average fair value of CDN$0.37 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two to four years, risk free interest rate – 0.98% to 1.33% and expected volatility – 100.14% to 132.35%.

The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 1.0122, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2010 to November 30, 2011.

(11) The Company paid for Mr. Charter's parking at a cost of CDN$3,500. The total amount in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 1.0122, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2010 to November 30, 2011.

(12) Mr. Caldwell was appointed Chief Financial Officer and Corporate Secretary of the Company on December 8, 2010 at an annual salary of CDN$185,000. His 2011FY salary is prorated to reflect the employment

start date. From October 1, 2012 to May 31, 2013, Mr. Caldwell's annual salary was voluntarily reduced to CDN$150,000 as an austerity measure. The total salary in CDN$ for 2013FY, 2012FY and 2011FY translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, 0.9978 and 1.0122, respectively , which were calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the periods from January 1 to December 31, 2013, December 1, 2011 to November 30, 2012 and December 1, 2010 to November 30, 2011.

(13) Options to purchase 1,500,000 Shares at an exercise price of CDN$0.17 per share were granted on October 23, 2013. Each of the Options granted have an estimated grant date fair value of CDN$0.0834 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – 2 to 4 years, risk free interest rate – 0.31% to 0.95% and expected volatility – 112% to 123%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(14) (a) Options to purchase 300,000 Shares at an exercise price of CDN$0.50 per share were granted on March 19, 2012. Each of the Options granted have an estimated grant date fair value of CDN$0.23 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two to four years, risk free interest rate – 1.29% to 1.57% and expected volatility – 97.11% to 128.24%.

(e) Options to purchase 500,000 Shares at an exercise price of CDN$0.25 per share were granted on October 30, 2012. Each of the Options granted have an estimated grant date fair value of CDN$0.10 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two to four years, risk free interest rate – 0.30% to 0.55%, expected volatility – 108.06% to 132.07%.

The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9978, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2011 to November 30, 2012.

(15) Options to purchase 350,000 shares at an exercise price at an exercise price of CDN$0.55 per share were granted on December 8, 2010. Each of the Options granted have an estimated grant date average fair value of CDN$0.33 per Option calculated using Black-Scholes based on the following grant date assumptions: expected life – two to four years, risk free interest rate – 1.68% to 2.20% and expected volatility – 139.72% to 139.78%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 1.0122, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2010 to November 30, 2011.

(16) Mr. Gallo was appointed President of Wilson Creek on October 1, 2012 at an annual salary of $250,000 although, his annual salary was voluntarily reduced to $125,000 as an austerity measure as of such date and until May 31, 2013. From December 8, 2010, to October 1, 2012, Mr. Gallo was the Executive Vice President of Wilson Creek. Mr. Gallo's annual salary was $150,000 on his appointment on December 8, 2010. His 2011FY salary is prorated to reflect the employment start date. From April 1, 2012 to July 31, 2012, his annual salary was voluntarily reduced to $100,000 as an austerity measure. On August 1, 2012, his annual salary was increased to $150,000. In 2012FY, Mr. Gallo had deferred payment of salary in the amount of $16,994. Payment of this amount was waived under an amended employment agreement dated March 7, 2012.

(17) Options to purchase 1,500,000 Shares at an exercise price of CDN$0.17 per share were granted on October 23, 2013. Each of the Options granted have an estimated grant date fair value of CDN$0.0834 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – 2 to 4 years, risk free interest rate – 0.31% to 0.95% and expected volatility – 112% to 123%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(18) Company contribution to the WCE 401(K) plan, which is a personal retirement savings plan, of 4.4% of salary. The WCE 401(k) plan was implemented and became effective as of December 8, 2010. See "Compensation Information – Retirement Benefits" for additional information.

(19) Options to purchase 500,000 Shares at an exercise price of CDN$0.25 per share were granted on October 30, 2012. Each of the Options granted have an estimated grant date fair value of CDN$0.10 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – two to four years, risk free interest rate – 0.30% to 0.55%, expected volatility – 108.06% to 132.07%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9978, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2011 to November 30, 2012.

(20) Company contribution to the WCE 401(K) plan, which is a personal retirement savings plan, of 3.0% of salary. The WCE 401(k) plan was implemented and became effective as of December 8, 2010. See "Compensation Information – Retirement Benefits" for additional information.

(21) Options to purchase 500,000 Shares at an exercise price of CDN$0.55 per Share were granted on December 8, 2010. Each of the Options granted have an estimated grant date average fair value of CDN$0.33 per Option calculated using Black-Scholes based on the following grant date assumptions: expected life – two to four years, risk free interest rate – 1.68% to 2.20% and expected volatility – 139.72% to 139.78%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 1.0122, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from December 1, 2010 to November 30, 2011. These Options were cancelled on March 31, 2012.

(22) Company contribution to the WCE 401(K) plan, which is a personal retirement savings plan, of 3.0% of salary. The WCE 401(k) plan was implemented and became effective as of December 8, 2010. See "Compensation Information – Retirement Benefits" for additional information.

(23) Mr. Helton was appointed as Manager of Underground Operations of KGM on April 5, 2010. The Company acquired KGM on July 31, 2013. At the time of the acquisition, Mr. Helton's annual salary was $204,000. His 2013FY salary is prorated to reflect the acquisition date. The Non-Equity Incentive Plan Compensation amount is for 2013FY and includes the period of January 1 to July 31, 2013 before the Company acquired KGM.

(24) Options to purchase 1,000,000 Shares at an exercise price of CDN$0.17 per share were granted on October 23, 2013. Each of the Options granted have an estimated grant date fair value of CDN$0.0834 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – 2 to 4 years, risk free interest rate – 0.31% to 0.95% and expected volatility – 112% to 123%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(25) Company contribution to the KGM 401(K) plan, which is a personal retirement savings plan, of 3% of salary. The KGM 401(k) plan was implemented and became effective as of January 1, 2013. See "Compensation Information – Retirement Benefits" for additional information.

(26) Mr. Gaertner was appointed as Chief Financial Officer of KGM on October 4, 2012. The Company acquired KGM on July 31, 2013. At the time of the acquisition, Mr. Gaertner's annual salary was $122,400. On November 1, 2013, Mr. Gaertner's annual salary was increased to $127,400. His 2013FY salary is prorated to reflect the acquisition date. The Non-Equity Incentive Plan Compensation amount is for 2013FY and includes the period of January 1 to July 31, 2013 before the Company acquired KGM.

(25) Options to purchase 1,000,000 Shares at an exercise price of CDN$0.17 per share were granted on October 23, 2013. Each of the Options granted have an estimated grant date fair value of CDN$0.0834 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – 2 to 4 years, risk free interest rate – 0.31% to 0.95% and expected volatility – 112% to 123%. The total value in CDN$ was translated to US$ using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.

(26) Company contribution to the KGM 401(K) plan, which is a personal retirement savings plan, of 3% of salary. The KGM 401(k) plan was implemented and became effective as of January 1, 2013. See "Compensation Information – Retirement Benefits" for additional information.

### *Employment Agreements, Termination and Change of Control*

*Employment Agreements*

Keith D. Dyke, appointed President of the Company on July 31, 2013, has an employment agreement dated May 18, 2011 with Kopper Glo Holdings, Inc. ("KGH", a predecessor entity to the Company's subsidiary, Kopper Glo Mining, LLC) pursuant to which he is paid a minimum annual base salary of $250,000.

Under his employment agreement, Mr. Dyke's employment may, at any time, be terminated for cause, which termination shall be effective upon delivery of written notice to Mr. Dyke, in which event KGH. shall pay Mr. Dyke his base salary through the date of termination and shall have no further obligations to him under the employment agreement. KGH may, at any time, terminate the employment agreement without cause, in which event KGH shall pay Mr. Dyke a lump sum payment in an amount equal to his annual base salary at the rate in effect on the date of termination and shall continue to pay for Mr. Dyke's coverage under KGH's group health plans for a period of 12 months following the date of termination. For termination without cause at December 31, 2013, Mr. Dyke would have been entitled to a payment of $281,549.

Donald K. Charter, President and CEO of the Company until July 31, 2013, had an employment agreement with the Company dated June 1, 2011. Under his employment agreement, Mr. Charter was entitled to an annual salary of CDN$360,000 commencing on May 1, 2011, however, Mr. Charter waived cash salary for 2011FY, 2012FY and for the period from December 1, 2012 to March 21, 2013 due to austerity measures. Mr. Charter was entitled to terminate his employment agreement upon thirty days' notice. Depending on the achievement of personal and business goals and overall company performance, including completion of corporate transactions, acquisitions, financings, operational and performance criteria, Mr. Charter was eligible to receive annual discretionary short-term cash bonuses. The annual incentive compensation target amount was in a range determined by the Board provided the target amount would not be lower than 50% of base salary. Mr. Charter was entitled to be reimbursed for certain expenses and fees and was entitled to participate in the Company's group health benefits as well as the 2011 Plan and any other equity or share ownership plans adopted by the Company from time to time. Stock option grants were at the discretion of the Board, provided that such number was not, subject to such discretion, generally expected to be less

than 500,000 in respect of each financial year with grants to be considered semi-annually. The Company was entitled to terminate Mr. Charter's employment agreement without cause in which case it would have had to pay an amount equal to the incentive compensation Mr. Charter would have been eligible to receive pro-rated for the portion of the financial year during which he was employed up to the date of termination, 24 months of his base salary in effect as at the date of termination by lump sum, plus two times the simple average of the incentive compensation paid in the two financial years immediately preceding the financial year in which his employment is terminated. In the absence of two years history of incentive compensation, a deemed amount of CDN$250,000 was to be used as the incentive compensation paid in respect of any such financial year. Benefits were to continue during the 24 month period and options were to vest. On a change of control of the Company, as defined in the employment agreement (which included the Quintana Transaction), Mr. Charter's employment was deemed to have been terminated without cause and Mr. Charter was entitled to all rights and payments provided for termination without cause as described above. The employment agreement provided that Mr. Charter would remain an employee of Corsa, if requested, for a period of no longer than three months following the change of control. Mr. Charter is subject to a six-month non-compete and a 12-month non-solicitation following the termination of his employment. Concurrently with Corsa's execution and delivery of the Investment Agreement, Mr. Charter entered into a separation agreement (the "Separation Agreement") with the Company on March 21, 2013. Pursuant to the Separation Agreement, the Company and Mr. Charter acknowledged that Mr. Charter's employment would be deemed to be terminated pursuant to his employment agreement without cause on the Final Closing (as defined in the Investment Agreement). The Separation Agreement provided that Mr. Charter was to be entitled to the following remuneration, compensation and benefits: (i) a lump sum payment, payable on the Closing Date, equal to CDN$720,000, (ii) salary, payable between the date of the Separation Agreement and the date of the closing of the Quintana Transaction, equal to half of his base salary set out in his employment agreement, being an annualized salary in the amount of CDN$180,000, (iii) for up to three months following the date of the closing of the Quintana Transaction, Mr. Charter shall be paid a salary calculated on the basis of his annualized base salary of CDN$360,000, (iv) Mr. Charter shall not be entitled to any accrued but unpaid salary for any period preceding the Separation Agreement nor any incentive compensation for any period prior to the Separation Agreement, (v) Mr. Charter shall be entitled to continue to participate in Corsa's benefit plans for two years following the Closing Date, and (vi) all stock options held by Mr. Charter shall vest in full on the date of the closing of the Quintana Transaction and Mr. Charter shall be entitled to exercise all stock options held by him at any time up to the original expiry date thereof. Mr. Charter and Corsa also entered into mutual releases.

Paul D. Caldwell, CFO and Corporate Secretary of the Company, has an employment agreement with the Company dated December 8, 2010. Under his employment agreement, Mr. Caldwell is entitled to an annual salary of CDN$185,000. Mr. Caldwell may terminate his employment agreement upon thirty days' notice. He was paid at an annual rate of CDN$150,000 from October 1, 2012 to May 31, 2013 under the Company's austerity measures. Following the completion of the Quintana Transaction, Mr. Caldwell's annual salary is CDN$185,000. Depending on the achievement of personal and business goals and overall company performance, including completion of corporate transactions, acquisitions, financings, operational and performance criteria, Mr. Caldwell is eligible to receive an annual discretionary short-term cash bonus. He will be reimbursed for certain expenses and fees and is entitled to participate in the Company's group health benefits as well as the 2011 Plan and any other equity or share ownership plans adopted by the Company from time to time. Stock option grants are at the discretion of the Board. The Company may terminate Mr. Caldwell's employment agreement without cause in which case the Company shall pay an amount equal to the incentive compensation Mr. Caldwell would have been eligible to receive pro-rated for the portion of the fiscal year during which he was employed up to the date of termination, six months (which shall increase by two months per full fiscal year of employment to a maximum of 12 months) of his base salary in effect as at the date of termination by lump sum, plus two times the simple average of the incentive compensation paid in the two fiscal years immediately preceding the fiscal year in which his employment is terminated. In the absence of two years history of incentive compensation, a deemed amount of CDN$50,000 shall be used as the incentive compensation paid in respect of any such fiscal year. Benefits will continue during the notice period and stock options will vest. On a change of control of the Company, as defined in Mr. Caldwell's employment agreement (including the Quintana Transaction), the base salary payment on termination without cause shall be increased to 24 months. Mr. Caldwell is subject to a six month non-compete and a 12-month non-solicitation following the termination of employment. For a termination without cause at December 31, 2013, Mr. Caldwell would have been entitled to a payment of CDN$235,000. For termination after a change of control at December 31, 2013, Mr. Caldwell would be entitled to a payment of CDN$470,000.

Joseph Gallo, President of Wilson Creek, has an employment agreement with Wilson Creek dated December 8, 2010. Under his employment agreement, Mr. Gallo was entitled to an annual salary of $150,000 from the date of the employment agreement up to the date of commencement of commercial production of the means the coal preparation plant in Somerset, Pennsylvania, owned and operated by Wilson Creek (the "Somerset Coal Preparation Plant") (as further detailed in Mr. Gallo's employment agreement). Following the commencement of commercial production, Mr. Gallo was entitled to receive an annual salary of $200,000. In addition, a one-time lump sum bonus of $50,000 was payable if the commencement of commercial production occurred in accordance with the schedule and budget described in the construction contract for the Somerset Coal Preparation Plant. The commencement of commercial production did not occur on schedule and the salary increase and bonus were not paid. Mr. Gallo's employment agreement was amended as of March 7, 2012 setting his annual salary at $150,000. On October 1, 2012, Mr. Gallo was appointed President of Wilson Creek at an annual salary of $250,000. He was paid at an annual rate of $125,000 from October 1, 2012 to May 31, 2013 due to austerity measures. Following the completion of the Quintana Transaction, Mr. Gallo's annual salary is $250,000. Either party may terminate this employment upon 14 days' prior written notice. Mr. Gallo's employment may also be terminated by Wilson Creek upon the employee's disability and/or for just cause. Mr. Gallo is entitled to participate in the employee benefit plans in which Wilson Creek's regular or permanent employees with similar title and position are entitled to participate, including cash and equity incentive plans as may be adopted from time to time. Mr. Gallo has entered into a lock-up agreement in respect of the Shares issued to him in connection with the purchase by the Company of Wilson Creek in 2010. Mr. Gallo also entered into a non-competition agreement pursuant to which he has agreed to not, directly or indirectly, solicit or divert business opportunities, accounts or employees away from Wilson Creek for the later of three years following December 8, 2010 or 18 months following the date of termination of his employment.

*Lock-Up Agreements*

Each of the seven owners of Wilson Creek who received shares of the Company on the purchase of Wilson Creek by the Company (which includes Mr. Gallo) entered into a lock-up agreement dated December 8, 2010 (the "Lock-Up Agreements") in respect of the Shares issuable to him under the terms of the purchase. Under the terms of the Lock-Up Agreements, each such owner has agreed not to dispose of his Shares. The number of Shares subject to the prohibition on disposition will be calculated on a declining basis, with 100% of the Shares being subject to the Lock-Up Agreement for a period of one year, declining to 70% after one year and to 50% after two years from December 8, 2010, with the lock-up ending on the third anniversary of December 8, 2010. Certain transfers to related parties may be permitted. The Lock-Up Agreements terminate upon specified change of control transactions following which a Selling Member's employment is terminated without "just cause" (as defined in the Lock-Up Agreements). The Lock-Up Agreements may also be terminated in other circumstances including death. On March 7, 2012, the Lock-Up Agreements were amended to extend the escrow periods by one year such that the release dates are now December 8, 2012, 2013 and 2014.

As of the date of this Circular and to the knowledge of Corsa and Wilson Creek, the following are the security holders whose Shares are subject to the Lock-Up Agreements: Joseph Gallo – 3,679,914 Shares; Curtis Mears - 3,811,340 Shares; Kerry Mears – 3,811,340 Shares; Robin Mears - 3,811,340 Shares; Stephen Meehan - 3,811,340 Shares; John Svonavec - 1,971,382 Shares; and Michael M. Svonavec – 5,388,446 Shares. In addition, these seven individuals have entered into an agreement with Svonavec Inc. pursuant to which they have provided certain assurances to Svonavec Inc. with respect to the payment of royalties pursuant to the Royalty Agreement between Wilson Creek and Svonavec Inc. with respect to the acquisition of the site and permits for the coal preparation plant, including an obligation to place ten percent of any proceeds from the sale of shares of the Company in escrow as collateral for such obligations. Neither the Company nor its subsidiaries are a party to this agreement.

## Incentive Plan Awards

### *Long-Term Incentive Plan Awards*

Long term incentive plan awards ("LTIP") means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or stock appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale. The Company has not adopted and did not award any LTIPs to any NEO during 2013FY.

***Share-Based Awards***

Share-based awards means awards under an equity incentive plan of equity-based instruments that do not have option-like features, including, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock. The Company has not adopted any plans with respect to share-based awards, and did not award any share-based awards, to any NEO during 2013FY.

***Option-Based Awards – Outstanding at Year End***

The following table sets forth for each NEO, the number of options held by such NEO that were outstanding as at December 31, 2013 and their value on December 31, 2013 based on CDN$0.17 which is the closing trading price of the Shares on the TSXV on December 31, 2013, the last trading day of the Shares in 2013FY and includes the exercise price, expiration date and the value of such options as at December 31, 2013:

| Name | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (CDN$) | Option Expiration Date | Value of Unexercised In-the-Money Options (CDN$) |
|---|---|---|---|---|
| Keith D. Dyke | 2,000,000 | 0.17 | Oct. 22, 2018 | Nil |
| Donald K. Charter | 3,000,000<br>1,000,000<br>250,000 | 0.55<br>0.53<br>0.25 | Dec. 7, 2015<br>Oct. 12, 2016<br>Oct. 29, 2017 | Nil<br>Nil<br>Nil |
| Paul D. Caldwell | 350,000<br>300,000<br>500,000<br>1,500,000 | 0.55<br>0.50<br>0.25<br>0.17 | Dec. 7, 2015<br>Mar. 18, 2016<br>Oct. 29, 2017<br>Oct. 22, 2018 | <br>Nil<br>Nil<br>Nil<br>Nil |
| Joseph Gallo | 500,000<br>1,500,000 | 0.25<br>0.17 | Oct. 29, 2017<br>Oct. 22, 2018 | Nil<br>Nil |
| Ronald Helton | 1,000,000 | 0.17 | Oct. 22, 2018 | Nil |
| Johnny L. Gaertner | 1,000,000 | 0.17 | Oct. 22, 2018 | Nil |

***Incentive Plan Awards – Value Vested or Earned during the Year***

The following table sets forth for each NEO the aggregate dollar value that such NEO would have realized had he or she exercised all options to purchase Shares that vested during 2013FY on the date such options vested:

| Name | Option-Based Awards Value Vested During the Year ($) | Non-Equity Incentive Plan Compensation – Value Earned During the Year ($) |
|---|---|---|
| Keith D. Dyke | Nil | N/A |
| Donald K. Charter | Nil | N/A |
| Paul D. Caldwell | Nil | N/A |
| Joseph Gallo | Nil | N/A |
| Ronald Helton | Nil | N/A |
| Johnny L. Gaertner | Nil | N/A |

**Retirement Benefits**

The Company offers two 401(k) plans for its United States corporate employees, the KGM 401(k) plan and the WCE 401(k) plan. The 401(k) plans are provided to assist individuals in saving for retirement. The 401(k) plans for the NEOs are identical to the plans offered to employees of KGM and WCE. The KGM 401(k) plan and WCE 401(k) plan are not defined contribution plans.

Effective January 1, 2013, KGM implemented a non-standardized 401(k) plan, a personal retirement savings plan. Messrs. Dyke, Helton and Gaertner participate in the KGM 401(k) plan. The KGM 401(k) plan is a qualified retirement 401(k) plan administered by John Hancock. The Company contributes an amount equal to 3.0% of an employee's salary. Employees can make additional voluntary

contributions, for total combined contributions up to the legislated government maximums. The 401(k) account is self-directed, with employees able to choose from among the investment options offered by John Hancock and any interest and earnings on the investments held in the 401(k) account vary in accordance with the terms and performance of the particular investments chosen.

Effective December 8, 2010, WCE implemented a non-standardized 401(k) plan, a personal retirement savings plan. Mr. Gallo participates in the WCE 401(k) plan. The WCE 401(k) plan is a qualified retirement 401(k) plan administered by Amerisery Trust and Financial Services Company. The Company contributes an amount equal to 3.0% of an employee's salary and matches 50% of an employee's contributions up to a maximum of 3.0% of an employee's salary. Employees can make additional voluntary contributions, for total combined contributions up to the legislated government maximums. The 401(k) account is self-directed, with employees able to choose from among the investment options offered by Amerisery Trust and Financial Services Company and any interest and earnings on the investments held in the 401(k) account vary in accordance with the terms and performance of the particular investments chosen.

The amounts contributed by the Company on behalf of the NEOs to these 401(k) plans are disclosed under the "All other compensation" column in the Summary Compensation Table. Other than contributions to the 401(k) plans described above, the Company does not provide retirement benefits for NEOs.

**Termination and Change of Control Benefits**

Pursuant to employment agreements, the only current executives entitled to severance payments are Messrs. Dyke and Caldwell as described under "Employment Agreements, Termination and Change of Control". Prior to entering into the Separation Agreement (which provided for a separate payment – see "Compensation Information – Employment Agreements, Termination, Change of Control" above), Mr. Charter was entitled to a severance payment pursuant to his employment agreement, also as described under "Employment Agreements, Termination and Change of Control". For termination without cause at December 31, 2013, Mr. Dyke would have been entitled to a payment of $281,549 pursuant to his employment agreement and Mr. Caldwell would have been entitled to a payment of CDN$235,000. For termination after a change of control at December 31, 2013, Mr. Caldwell would have been entitled to a payment of CDN$470,000.

**Director Compensation**

Following the completion of the Quintana Transaction, the Company established a director compensation policy, pursuant to which directors are entitled to receive annual retainers and committee chair and meeting fees, when applicable, and are reimbursed for out-of-pocket expenses. Effective July 31, 2013, the annual retainer fee for a director is $15,000, the annual fee for the Chairman of Audit Committee is $10,000, the annual fee for a director who is member of a Committee is $5,000 and the meeting attendance fee is $1,250. The annual fees have been prorated over the period from July 31 to December 31, 2013. During 2013FY, the Company also compensated its directors through Option grants.

The following table sets out the amounts or value of compensation provided to each director who was not a NEO of the Company at any time during the 2013FY:

| Name | Fees Earned ($) | Option-based Awards[(1)] ($) | All Other Compensation | Total ($) |
|---|---|---|---|---|
| Colin K. Benner[(2)] | Nil | Nil | Nil | Nil |
| Patrick Connolly[(3)] | Nil | Nil | Nil | Nil |
| John H. Craig | 10,000 | 121,400[(4)] | Nil | 131,400 |
| Alan M. De'Ath[(5)(6)] | 16,250 | 121,400[(4)] | Nil | 137,650 |
| George G. Dethlefsen[(5)(7)] | Nil | Nil | Nil | Nil |
| Michael Harrison[(8)] | 10,833 | 121,400[(4)] | Nil | 132,233 |
| Timothy Phillips[(3)] | Nil | Nil | Nil | Nil |
| Charles Pitcher[(3)] | Nil | Nil | Nil | Nil |
| Corbin J. Robertson III[(5)(9)] | Nil | Nil | Nil | Nil |
| Robert Scott[(10)] | 15,000 | 121,400[(4)] | Nil | 136,400 |
| Daniel D. Smith[(5)(11)] | 10,833 | 121,400[(4)] | Nil | 132,233 |
| Ronald G. Stovash[(5)(12)] | 14,167 | 121,400[(4)] | Nil | 135,567 |

**Notes:**

(1) The value of the Options to purchase Shares is an accounting fair value calculated using Black-Scholes in accordance with IFRS. The key assumptions used are determined at each grant date. For each grant, the Company has assumed no dividend yield and a forfeiture rate of 4%. The Company used the Black-Scholes valuation methodology for calculating the value of options because Black-Scholes is a recognized tool for valuation methodology and is appropriate for the Company.
(2) Mr. Benner resigned from the Board on July 2, 2013.
(3) Messrs. Connolly, Phillips and Pitcher resigned from the Board on July 31, 2013 in connection with the closing of the Quintana Transaction.
(4) Options to purchase 1,500,000 Shares at an exercise price of CDN$0.17 per share were granted on October 23, 2013. Each of the Options granted have an estimated grant date fair value of CDN$0.0834 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life – 2 to 4 years, risk free interest rate – 0.31% to 0.95% and expected volatility – 112% to 123%. The total value in CDN$ was translated to United States dollars using a CDN$ to US$ dollar exchange rate of 0.9708, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rate for the period from January 1 to December 31, 2013.
(5) Messrs. De'Ath, Dethlefsen, Robertson, Smith and Stovash were appointed to the Board on July 31, 2013 in connection with the closing of the Quintana Transaction.
(6) Mr. De'Ath is Chairman of the Audit Committee and a member of the Health and Safety Committee.
(7) Mr. Dethlefsen is Chairman of the Compensation Committee. Mr. Dethlefsen has waived any fees due to him as a director as he is employed by an affiliate of Quintana.
(8) Mr. Harrison is a member of the Compensation Committee.
(9) Mr. Robertson has waived any fees due to him as a director as he is employed by an affiliate of Quintana.
(10) Mr. Scott is a member of the Audit Committee, Compensation Committee and the Health and Safety Committee.
(11) Mr. Smith is a member of the Audit Committee.
(12) Mr. Stovash is a member of the Compensation Committee and the Health and Safety Committee.

### *Option-Based Awards – Outstanding at Year End*

The following table sets forth for each non-management director of Corsa, the number of options held by such director that were outstanding as at December 31, 2013 and includes the exercise price, expiration date and the value thereof as at December 31, 2013:

| Name | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price ($) | Option Expiration Date | Value of Unexercised In-the-Money Options ($) |
|---|---|---|---|---|
| Colin K. Benner[(1)] | 1,150,000<br>250,000 | 0.55<br>0.25 | Sep. 15, 2015[(1)]<br>Sep. 15, 2015[(1)] | Nil<br>Nil |
| Patrick Connolly[(2)(3)] | 500,000<br>250,000 | 0.55<br>0.25 | Oct. 29, 2015[(3)]<br>Oct. 29, 2015[(3)] | Nil<br>Nil |
| John H. Craig | 500,000<br>250,000<br>1,500,000 | 0.55<br>0.25<br>0.17 | Dec. 7, 2015<br>Oct. 29, 2017<br>Oct. 22, 2018 | Nil<br>Nil<br>Nil |
| Alan M. De'Ath[(4)] | 1,500,000 | 0.17 | Oct. 22, 2018 | Nil |
| George G. Dethlefsen[(4)] | Nil | N/A | N/A | Nil |
| Michael Harrison | 500,000<br>300,000<br>250,000<br>1,500,000 | 1.07<br>0.50<br>0.25<br>0.17 | Mar. 31, 2016<br>May 3, 2017<br>Oct. 29, 2017<br>Oct. 22, 2018 | Nil<br>Nil<br>Nil<br>Nil |
| Timothy Phillips[(2)(3)] | 700,000<br>250,000 | 0.55<br>0.25 | Oct. 29, 2015[(3)]<br>Oct. 29, 2015[(3))] | Nil<br>Nil |
| Charles Pitcher[(2)(3)] | 500,000<br>500,000 | 0.50<br>0.25 | Oct. 29, 2015[(3)]<br>Oct. 29, 2015[(3))] | Nil<br>Nil |
| Corbin J. Robertson III[(4)] | Nil | N/A | N/A | Nil |
| Robert Scott | 1,075,000<br>250,000<br>1,500,000 | 0.55<br>0.25<br>0.17 | Dec. 7, 2015<br>Oct. 29, 2017<br>Oct. 22, 2018 | Nil<br>Nil<br>Nil |
| Daniel D. Smith[(4)] | 1,500,000 | 0.17 | Oct. 22, 2018 | Nil |
| Ronald G. Stovash[(4)] | 1,500,000 | 0.17 | Oct. 22, 2018 | Nil |

**Notes:**

(1) Mr. Benner voluntarily resigned from the Corsa Board on July 2, 2013. As per the settlement agreement that he entered into with the Company on July 2, 2013, the expiration date of all Options held by him became September 30, 2015.
(2) Messrs. Connolly, Phillips and Pitcher resigned from the Board on July 31, 2013 in connection with the closing of the Quintana Transaction.
(3) As per settlement agreements entered into with Corsa, on the date of the completion of the Quintana Transaction, all of the options held by each of Messrs. Connolly, Phillips and Pitcher will expire on October 29, 2015.
(4) Messrs. De'Ath, Dethlefsen, Robertson, Smith and Stovash were appointed to the Board on July 31, 2013 in connection with the closing of the Quintana Transaction.

***Incentive Plan Awards – Value Vested or Earned during the Year***

The following table sets forth for each non-management director the aggregate dollar value that such director would have realized had he exercised all Options that vested during the 2013FY on the date such Options vested.

| Name | Option-Based Awards Value Vested During the Year ($) | Non-Equity Incentive Plan Compensation – Value Vested During the Year ($) |
|---|---|---|
| Colin K. Benner[(1)] | Nil | N/A |
| Patrick Connolly[(2)] | Nil | N/A |
| John H. Craig | Nil | N/A |
| Alan M. De'Ath[(3)] | Nil | N/A |
| George G. Dethlefsen[(3)] | Nil | N/A |
| Michael Harrison | Nil | N/A |
| Timothy Phillips[(2)] | Nil | N/A |
| Charles Pitcher[(2)] | Nil | N/A |
| Corbin J. Robertson III[(3)] | Nil | N/A |
| Robert Scott | Nil | N/A |
| Daniel D. Smith[(3)] | Nil | N/A |
| Ronald G. Stovash[(3)] | Nil | N/A |

**Notes:**

(1) Mr. Benner voluntarily resigned from the Corsa Board on July 2, 2013.
(2) Messrs. Connolly, Phillips and Pitcher resigned from the Board on July 31, 2013 in connection with the closing of the Quintana Transaction.
(3) Messrs. Connolly, Phillips and Pitcher resigned from the Board on July 31, 2013 in connection with the closing of the Quintana Transaction.

**Securities Authorized For Issuance Under Equity Compensation Plans**

The following table provides information as of December 31, 2013 relating to Options to purchase Shares outstanding pursuant to the 2011 Plan which is the only compensation plan of the Company under which equity securities of the Company are authorized for issuance:

| Plan Category | Number of Shares to be Issued Upon Exercise of Outstanding Options | Weighted Average Exercise Price of Outstanding Options | Number of Shares Available for Future Issue Under Equity Compensation Plans |
|---|---|---|---|
| Equity Compensation Plan approved by Securityholders - Stock Option Plan | 40,776,667 | CDN$0.30 | 25,934,074 |

A description of the terms of the 2011 Plan is set out above under "Approval of the Stock Option Plan".

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than Routine Indebtedness (as defined in Form 51-102F5 of the Canadian Securities Administrators), no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at December 31, 2013 or as at the date hereof.

## DIRECTORS AND OFFICERS INSURANCE

The Company has purchased a policy of insurance for the benefit of its directors and officers against liability which may be incurred by them in the performance of their duties as directors and officers of the Company. The amount of the premium paid in respect of this policy for the 2013FY was CDN$72,500. The policy does not specify that any part of the premium is paid in respect of either directors as a group or officers as a group. The entire premium is paid by the Company. The current annual policy limit is CDN$40,000,000 per claim per policy period, subject to a corporate deductible of CDN$50,000 per claim.

## FINANCIAL ASSISTANCE

The Company did not give any financial assistance to any of its employees or Shareholders during 2013FY.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

On March 21, 2013, the Company entered into an investment agreement (the "Investment Agreement") with Quintana Kopper Glo Investment, LLC ("Kopper Glo"), an affiliate of Quintana, pursuant to which (i) the Company raised $10 million by issuing a CDN$10,238,000 unsecured subordinated convertible note (the "Convertible Note") to New QKGI, which note was convertible into Shares at CDN$0.17 per share, and (ii) the parties agreed to complete a transaction (the "Quintana Transaction") whereby:

(a) New QKGI would purchase from the Company an aggregate of 182,375,294 Shares at a price of CDN$0.17 per share, for aggregate proceeds of $30,000,000;

(b) the Company would acquire all of the issued and outstanding common stock in the capital of KGH from Kopper Glo in exchange for 134,592,967 Shares at an attributed price of CDN$0.17 per share, which shares were registered in the name of Legacy QKGI; and

(c) the Company, through Wilson Creek Energy, LLC ('WCE") would acquire all of the issued and outstanding membership interests in Kopper Glo from Legacy QKGI in exchange for 230,157,621 WCE Redeemable Units, at an attributed price of CDN$0.17 per unit.

"WCE Redeemable Units" are common units of WCE and are redeemable at the option of the holder for cash in an amount equal to the fair market value of an equivalent number of Shares as determined pursuant to the Second Amended and Restated Limited Liability Agreement of WCE, but will not be redeemable by WCE or the Company at any time. Upon tender for redemption of WCE Redeemable Units by Legacy QKGI, the Company has the right (subject to certain limited tax-related circumstances) rather than redeeming for cash, to acquire such units in exchange for a corresponding number of Shares.

The Quintana Transaction constituted a reverse takeover and was subject to acceptance by the TSXV and approval by the Shareholders. On July 25, 2013, the Company filed a filing statement (the "Filing Statement") dated July 24, 2013 in respect of the Quintana Transaction under the Company's profile on SEDAR at www.sedar.com, which provides additional details regarding the Quintana Transaction.

The Quintana Transaction was, in accordance with the requirements of the TSXV, approved by a majority of Corsa's shareholders as evidenced by signed shareholder consents and on July 31, 2013, New QKGI converted the Convertible Note and the Company, Kopper Glo, New QKGI and Legacy QKGI completed the Quintana Transaction.

Corbin J. Robertson III, a proposed director of the Company, was the President of Kopper Glo at the time of entering into the Investment Agreement and is the son of Corbin J. Robertson, Jr., a member of the investment committee of the investment adviser/manager of Quintana, who together with his three adult children, Mr. Robertson III, William K. Robertson and Christine Robertson Morenz, control the general partner of Quintana which controls the funds' investment activities. Quintana is the beneficial owner of both Legacy QKGI and New QKGI. Mr. Robertson Jr. is also employed by an affiliate of Quintana.

George G. Dethlefsen, a proposed director of the Company, is employed by an affiliate of Quintana.

Keith D. Dyke, President of the Company and a proposed director of the Company, holds a non-controlling equity interest in Legacy QKGI of approximately five percent and was the Vice President of Kopper Glo at the time of entering into the Investment Agreement. (see Footnote 8 to the "Name, Address, Occupation and Security Holdings" table under "Information Concerning the Resulting Issuer – Directors, Officers and Promoters" in the Filing Statement for further information).

## ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. The Company's financial information can be found in the 2013 Financials and the related Management Discussion & Analysis ("MD&A"). Copies of the Company's 2013 Financials and MD&A may be obtained, without charge, by writing to the Corporate Secretary of the Company, at 110 Yonge Street, Suite 601, Toronto, Ontario, M5C 1T4. Additional copies of this Circular are also available upon request. All of the above documents can be found under the Company's profile on SEDAR at www.sedar.com.

## OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management and the directors of the Company are not aware of any other matters which may come before the Meeting as of the date of mailing of this Circular other than as set forth in the Notice and as described in this Circular. However, if other matters which are not now known as of the date hereof should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting all proxies returned.

The undersigned hereby certifies that the contents and the mailing of this Circular have been approved by the Board.

DATED this 22nd day of April, 2014.

BY ORDER OF THE BOARD

(Signed) "*Keith D. Dyke*"

Keith D. Dyke
President

## SCHEDULE A

## REPORTING PACKAGE

Please see the following page.

**CORSA COAL CORP.**
**(the "Corporation")**

**NOTICE OF CHANGE OF AUDITOR**

**TO: Ernst & Young LLP, Chartered Accountants ("E&Y")**
**AND TO: KPMG LLP, Chartered Accountants ("KPMG")**

NOTICE IS HEREBY GIVEN that:

(i) E&Y has resigned, effective as of October 7, 2013, as auditor for the Corporation; and

(ii) KPMG has been appointed as auditor of the Corporation effective as of October 7, 2013 to hold office until the next annual meeting at a remuneration to be fixed by the board of directors of the Corporation (the "Board").

In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"), the Corporation confirms that:

(i) the former auditor has resigned, upon the Corporation's request, as auditor of the Corporation effective October 7, 2013;

(ii) the resignation of the former auditor was considered by the audit committee of the Corporation (the "Audit Committee") and the Board on October 7**,** 2013;

(iii) the appointment of the successor auditor was considered by the Audit Committee and approved by the Board on October 7**,** 2013;

(iv) there were no reservations in E&Y's reports in connection with the audits of the two most recently completed fiscal years and any period subsequent to the most recently completed fiscal year for which an audit report was issued and ending the date of E&Y's resignation as auditor; and

(v) there are no "reportable events" as such term is defined in Section 4.11 of NI 51-102.

**DATED** this day 11th day of October, 2013.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Paul Caldwell"*
Paul Caldwell
Chief Financial Officer and
Corporate Secretary


Ernst & Young LLP
Ernst & Young Tower
222 Bay Street, PO Box 251
Toronto, ON M5K 1J7

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Fax: +1 416 864 1174
ey.com

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission

15 October 2013

Dear Sirs/Mesdames:

**Re: Corsa Coal Corp.**
**Change of Auditor Notice dated October 11, 2013**

Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Change of Auditor Notice and confirm our agreement with items (i), (iv) and (v) in the Notice pertaining to our firm.

We cannot agree or disagree on items (ii) and (iii) about the board resolutions in the Notice.

Yours sincerely,

Ernst & Young LLP

Chartered Accountants
Toronto, Ontario

cc: The Board of Directors, Corsa Coal Corp.

**KPMG LLP**
**Chartered Accountants**
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

October 28, 2013

Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

**Re: Corsa Coal Corp. (the "Company")**
**Notice pursuant to National Instrument No. 51-102 Change of Auditor**

We have read the Notice of Change of Auditor of Corsa Coal Corp. dated October 11, 2013.

In accordance with National Instrument No. 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, we confirm that we are in agreement with the information contained in the Notice based upon our knowledge of that information at that time.

Yours truly,

KPMG LLP

Chartered Accountants, Licensed Public Accountants

## SCHEDULE B

## STOCK OPTION PLAN

Please see the following page.

**CORSA COAL CORP.**
**AMENDED & RESTATED STOCK OPTION PLAN**

## 1. PURPOSE OF THE PLAN

The Company hereby establishes the Plan (as defined below) for Eligible Persons (as defined below). The purpose of this Plan is to advance the interests of the Company by (i) providing Eligible Persons with additional incentives; (ii) encouraging equity ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Company; (iv) encouraging Eligible Persons to remain with the Company or its Affiliates; and (v) attracting new employees, directors and officers.

## 2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

**2.1** "**Affiliate"** means an affiliate of the Company within the meaning of Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended or replaced from time to time.

**2.2** "**Associate**" has the meaning set out in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended or replaced from time to time.

**2.3** "**Board**" means the Board of Directors of the Company.

**2.4** "**Change of Control**" means:

(i) a reorganization, amalgamation, merger or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its Affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such reorganization, amalgamation, merger, business combination or plan of arrangement do not, following the completion of such reorganization, amalgamation, merger, business combination or plan of arrangement, beneficially own, directly or indirectly, more than fifty percent (50%) of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;

(ii) the acquisition by any "offeror" (as defined in section 89 of the *Securities Act* (Ontario) as of the date hereof) of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;

(iii) the sale, lease, exchange or other transfer (in one transaction or a series of related transactions) to a person other than an Affiliate of the Company of all or substantially all of the Company's assets;

(iv) a separation of the business of the Company into two or more entities;

(v) the approval by the shareholders of the Company of any plan of liquidation or dissolution of the Company; or

(vi) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

**2.5** "**Company**" means Corsa Coal Corp. and any successor thereto.

**2.6** "**Consultant**" means a "Consultant" as defined in the policies of the TSX Venture Exchange.

**2.7** "**Consultant Company**" means a "Consultant Company" as defined in the policies of the TSX Venture Exchange.

**2.8** "**Disability**" means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Participant from:

(i) being employed or engaged by the Company or any of its Affiliates in the same as or similar to that in which he was last employed or engaged by the Company or its Affiliates; or

(ii) acting as a director or officer of the Company or an Affiliate thereof.

**2.9** "**Distribution**" means a "Distribution" as defined in the TSX Policies.

**2.10** "**Eligible Person**" means, subject to all applicable laws, (A) any employee, executive officer, director or Consultant of (i) the Company or (ii) any Affiliate (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliate), and (B) in the event of any assignment of Options in accordance with the terms of the Plan, any Permitted Assign of such person, as the context requires.

**2.11** "**Employee**" means an "Employee" as defined in the TSX Policies.

**2.12** "**Exchange**" means the TSX Venture Exchange, the Toronto Stock Exchange or such other stock exchange or quotation system on which the Shares are listed or quoted from time to time.

**2.13** "**Exercise Period**" has the meaning ascribed thereto in Section 4.3(a).

**2.14** "**Exercise Price**" shall be not less than the Fair Market Value of the Shares on the trading day immediately preceding the date on which the Option is granted, or such greater amount as the Board may determine; provided, however, that the Exercise Price of an Option shall not be less than the minimum Exercise Price required by the applicable rules of the Exchange.

**2.15** "**Expiry Date**" means the date set by the Board under the Plan as the last date on which an Option may be exercised.

**2.16** "**Fair Market Value**" means with respect to any Shares at a particular date, the closing price of the Shares on the Exchange on the last preceding trading day or, if there is no sale on such day, then the closing price of the Shares on the Exchange on the last previous day on which a sale is reported.

**2.17** "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.

**2.18** "**Holding Entity**" means a holding entity within the meaning of Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended or replaced from time to time.

**2.19** "**Insider**" means an "Insider" as defined under the policies of the Exchange, as amended from time to time.

**2.20** "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the policies of the TSX Venture Exchange.

**2.21** "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in the *Securities Act* (Ontario).

**2.22** "**Management Company Employee**" means a "Management Company Employee" as defined in the policies of the TSX Venture Exchange.

**2.23** "**Option**" means an option to purchase Shares granted to an Eligible Person pursuant to this Plan.

**2.24** "**Option Agreement**" means an agreement, substantially in the form attached hereto as Schedule "A", whereby the Company grants to a Participant an Option.

**2.25** "**Option Price**" means the price per Share as determined by the Board on the Grant Date and specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.

**2.26** "**Option Shares**" means the aggregate number of Shares which a Participant may purchase under an Option.

**2.27** "**Participant**" means an Eligible Person to whom an Option has been granted, and for greater certainty, includes the Permitted Assign of such an Eligible Person to whom an Option has been assigned in accordance with the terms of the Plan, as the context requires.

**2.28** "**Permitted Assign**" means, for an employee, executive officer, director or Consultant, as applicable, a corporation of which such employee, executive officer, director or Consultant is the sole beneficial owner.

**2.29** "**Plan**" means this stock option plan of the Company, as it may be amended from time to time.

**2.30** "**Share Reorganization**" has the meaning ascribed thereto in Section 5.1.

**2.31** "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

**2.32** "**Special Distribution**" has the meaning ascribed in Section 5.2.

**2.33** "**Termination Date**" means the date on which a Participant, or in the case of a Management Company Employee or a Consultant Company, the Participant's employer, ceases to be an Eligible Person, and for all purposes of this Plan, a Participant shall be deemed to have ceased to be an Eligible Person on the date such Participant (or the Participant's employer) receives a notice of termination from the Company or provides a notice of resignation to the Company.

**2.34** "**TSX Policies**" means, for so long as the Shares are listed on the TSX Venture Exchange, the policies of the TSX Venture Exchange, and for so long as the shares are listed on the Toronto Stock Exchange, the policies of the Toronto Stock Exchange and "TSX Policy" means any one of them as applicable.

**2.35** "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.

**2.36** "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Participant pursuant to the terms of the Option Agreement.

In this Plan, words imparting the singular number only shall include the plural and vice versa and words imparting the masculine shall include the feminine.

## 3. GRANT OF OPTIONS

### 3.1. Option Terms

(a) Participants: The Board may from time to time authorize the issue of Options to Participants who are Eligible Persons. Any Participant to whom an Option is granted under the Plan who subsequently ceases to hold the position in which he or she received such Option shall continue to be eligible to hold such Option as a Participant as long as he or she otherwise falls within the definition of "Eligible Person" in any capacity.

(b) Option Price: The Option Price under each Option shall be determined by the Board and shall not be less than the Exercise Price on the Grant Date. Notwithstanding this section of the Plan, in the event that the Grant Date of any Option hereunder occurs during a "black-out period" imposed by the Company pursuant to its own black-out policies, then the Option Price of any such Option shall not be less than the Exercise Price on the day following the expiry of such black-out period. The Exercise Price of any Option granted hereunder shall be subject to adjustment in accordance with the provisions of the Plan.

(c) Vesting: The Board, subject to the TSX Policies, may determine and impose terms upon which each Option shall become Vested. If the Board does not otherwise specify the vesting provisions of an Option at time of the grant of such Option, and subject to the other limits on Option grants set out in Section 3.2 hereof, Options granted under the Plan shall vest and become exercisable in full as to one-third thereof on each of the first, second and third anniversaries of the Grant Date. Options granted to Consultants performing Investor Relations Activities must vest, at minimum, in stages over twelve months with no more than one-quarter of the Options vesting in any three month period, but may have longer vesting provisions as set by the Board on the Grant Date.

(d) Expiry Date: The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date. If the Board does not set an Expiry Date for an Option granted at the time of the grant of the Option, such Option shall have an Expiry Date which is five years from the Grant Date.

(e) Permitted Assigns: Subject to the provisions of this section, Options shall be non-assignable and non-transferable by the Participants otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative (subject to the limitation that Options may be not be exercised later than the Expiry Date). Notwithstanding the above, Options may, with the prior approval of the Board, be assigned by an Eligible Person to whom an Option has been granted to a Permitted Assign of such Eligible Person, following which such Options shall be non-assignable and non-transferable by such Permitted Assign, except, with the prior approval of the Board, to another Permitted Assign, otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of such Permitted Assign only by such Permitted Assign and after death only by such Permitted Assign's legal representative (subject to the limitation that Options may be not be exercised later than the Expiry Date). For greater certainty, the Board shall be only permitted to grant Options to an Eligible Person and shall not be permitted to grant Options directly to any Permitted Assign.

**3.2. Limits on Shares Issuable on Exercise of Options**

(a) The number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements:

(i) in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date; and

(ii) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date.

(b) The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a 12 month period:

(i) to any one Participant, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;

(ii) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;

(iii) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and

(iv) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

### 3.3. Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement executed by the Company and by the Participant to whom such Option is granted. Each Participant shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Participant. For stock options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Participant is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its Affiliates. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan. Subject to specific variations approved by the Board in respect of any Options, such variations not to be inconsistent with the provisions of the Plan, all terms and conditions set out in the Plan are incorporated by reference into and form part of any Option granted under the Plan.

## 4. EXERCISE OF OPTION

### 4.1. When Options May be Exercised

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. (Toronto time) on the Expiry Date and shall not be exercisable thereafter. Notwithstanding this section of the Plan or the term of any Option fixed by the Board hereunder, in the event that the Expiry Date of any Option granted hereunder (other than an Expiry Date arising as a result of the termination of the employment of the Participant for cause) occurs during a period when the Participant is restricted from exercising such Option as a result of a "black-out period" imposed by the Company pursuant to its own black-out policies, or within 3 days of the expiry of any such "black-out period", then the term of any such Option shall automatically, and without any further action by the Board, be extended by a period of 10 business days from the expiry of such "black-out period".

### 4.2. Manner of Exercise

Subject to the provisions of the Plan and the related Option Agreement, an Option may be exercised from time to time by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share by certified cheque, or in another manner deemed acceptable to the Company at the time of such exercise. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Participant's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised. Upon receipt of payment in full, but subject to the terms of the Plan and the related Option Agreement, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.

### 4.3. Termination as Eligible Person

If a Participant ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Participant ceases to be an Eligible Person due to his or her death or Disability or, in the case of a Participant that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Participant shall be exercisable by the legal representative of the Participant to acquire Vested Unissued Option Shares at any time up to but not after the earlier of (i) 365 days after the date of death or Disability; and (ii) the Expiry Date (such period referred to herein as the "**Exercise Period**"). For greater clarity, Options outstanding on the date of death or Disability of the Participant will continue to Vest during the Exercise Period until such Options are exercised in accordance with the provisions of this Plan.

(b) Termination For Cause

If the Participant, or in the case of a Management Company Employee or a Consultant Company, the Participant's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Participant, or, in the case of a Management Company Employee or a Consultant Company, of the Participant's employer, is employed or engaged; any outstanding Option held by such Participant on the Termination Date, whether in respect of Option Shares that are Vested or not, shall cease to be exercisable immediately upon such termination on the Termination Date and shall be cancelled as of such date, subject to the provisions of any employment, consulting or settlement agreement between such Participant and the Company.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Participant or, in the case of a Management Company Employee or a Consultant Company, the Participant's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, subject to the provisions of any employment, consulting or settlement agreement between such Participant and the Company, the Options then held by the Participant shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Participant was engaged in Investor Relations Activities) after the Termination Date (such period referred to herein as the "Notice Period Date"). If any portion of an Option is not vested by the Termination Date, that portion of the Option may continue to Vest until the Notice Period Date subject to any employment, consulting or settlement agreement between the Participant and the Company. If any portion of an Option is not vested by the Notice Period Date, that portion of the Option may not, under any circumstances, be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant received compensation in respect of dismissal or payment in lieu of notice in respect of such Termination and, for all purposes of the Plan, a Participant's employment or consulting services shall conclusively be deemed to have been terminated on the date that such Participant received notice of termination from the Company.

### 4.4. Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Participant, or, in the case of a Management Company Employee or a Consultant Company, the Participant's employer, retires, resigns or is terminated from employment or engagement with the Company or any Affiliate, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Participant under any applicable statute or common law.

### 4.5. Effect of a Change of Control

(a) In the event of a proposed Change of Control (as determined by the Board), the Board may, in its discretion, conditionally or otherwise and on such terms as it sees fit, accelerate the vesting of all of a Participant's unvested Options to a date determined by the Board, such that all of a Participant's Options will immediately vest at such time. In such event, all Options so Vested will be exercisable, conditionally or otherwise, from such date until their respective Expiry Dates so as to permit the Participant to participate in such Change of Control.

(b) Notwithstanding any other provisions of this Plan, in the event of a proposed Change of Control (as determined by the Board), the Board will have the power exercisable in its discretion (i) to terminate, conditionally or otherwise and on such terms as it sees fit, the Options not exercised prior to the effective time of such Change of Control, and/or (ii) to modify the terms of the Options, conditionally or otherwise and on such terms as it sees fit, in order to assist the Participants to participate in the Change of Control, including for greater certainty permitting such Participants to exercise their Options on a "cashless" basis. For

greater certainty, in the event that a Change of Control is effected, the Board will have the power, if determined appropriate, to terminate all Options not exercised prior to the effective time of such Change of Control.

(c) If a proposed Change of Control is not completed, the Options that Vested pursuant to sub-section (a) above (if any) must be returned by the Participant to the Company and will be reinstated as unvested Options and the original terms applicable to such Options will apply. If any of the Options that Vested pursuant to sub-section (a) above (if any) were exercised, such Shares must be returned to the Company for cancellation and replacement with the original underlying Options. The determination of the Board with respect to any such event will for the purposes of this Plan be final, conclusive and binding.

### 4.6. Shares Not Acquired

To the extent any Option granted under the Plan expires or is cancelled or terminated without having been exercised in whole or in part, the Unissued Option Shares in respect of which such Option expired or was cancelled or terminated shall be considered to be part of the reserved Shares available for Options under the Plan and may be made the subject of a further Option or Options granted pursuant to the Plan.

## 5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

### 5.1. Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

(a) the Option Price will be adjusted to a price per Share which is the product of:

(i) the Option Price in effect immediately before that effective date or record date; and

(ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and

(b) the number of Unissued Option Shares will be adjusted by multiplying

(i) the number of Unissued Option Shares immediately before such effective date or record date by

(ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

### 5.2. Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

(a) shares of the Company, other than the Shares;

(b) evidences of indebtedness;

(c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or

(d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price may be reduced, and the number of Unissued Option Shares may be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

### 5.3. Corporate Organization

Whenever there is:

(a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;

(b) a consolidation, merger or amalgamation of the Company with or into another company resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or

(c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another company;

(any such event being herein called a "**Corporate Reorganization**") the Participant will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which the Participant would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that the Participant would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, the Participant had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

### 5.4. Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Participants.

### 5.5. Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

## 6. MISCELLANEOUS

### 6.1. No Rights to Employment and No Rights as Shareholder

Subject to the terms of any employment, consulting or settlement agreement between the Company and a Participant, neither this Plan nor any of the provisions hereof shall confer upon any Participant any right with respect to employment, engagement or continued employment or engagement with the Company or any Affiliate or interfere in any way with the right of the Company or any Affiliate to terminate such employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any Affiliate to extend the employment or engagement of any Participant beyond the date on which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Affiliate, or beyond the date on which his relationship with the Company or any Affiliate would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Company or any Affiliate.

A Participant shall not have any rights whatsoever as a shareholder of the Company with respect to any of the Unissued Option Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option exercise price of the Shares in respect of which the Option is being exercised) and such underlying Shares have been issued.

### 6.2. Necessary Approvals

(a) The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchange) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Participant is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchange and any governmental authority having jurisdiction. If any Shares cannot be issued to any Participant for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by a Participant to the Company shall be immediately refunded to the Participant by the Company.

(b) The Company will obtain disinterested shareholder approval (as required by the Exchange) of stock options if the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in (i) the number of shares reserved for issuance under stock options granted to Insiders exceeding 10% of the issued shares; (ii) the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares; or (iii) the issuance to any one Participant, within a 12 month period, of a number of shares exceeding 5% of the issued shares.

### 6.3. Administration of the Plan

The Plan shall be administered by the Board or a committee of the Board duly appointed for this purpose by the Board. If a committee is appointed for this purpose, all references herein to the Board will be deemed to be references to this committee of the Board. Subject to the limitations of the Plan, the Board shall have the authority to (i) grant Options; (ii) determine the terms, limitations, restrictions and conditions respecting such grants; (iii) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and (iv) make all other determinations and take all other actions in connection with the implementation and administration of the Plan. The Board shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. The Board may delegate to the appropriate employees or officers of the Company such administrative duties and powers as it may see fit. All administration costs of the Plan shall be paid by the Company. No member of the Board or any person acting pursuant to the authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith.

### 6.4. Income Taxes

(a) If the Company or any Affiliate determines, in its sole discretion, that it is required under the *Income Tax Act* (Canada) or any other applicable law to make any source or income tax deductions in respect of employee stock option benefits (including, without limitation, income and payroll withholding taxes imposed by any jurisdiction) and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Options or Shares under this Plan, the Company or any Affiliate may implement any appropriate procedures at its sole discretion to ensure that such tax withholding obligations are met. These procedures may include, without limitation, (i) a requirement that the Participant pay to the Company or any Affiliate, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Company or the Affiliate to be the amount necessary to permit the required tax remittance; (ii) the issuance of Shares by the Company or the Affiliate upon exercise of the Options to an agent on behalf of the Participant, with such agent being authorized to sell in the market, on behalf

of the Participant, on such terms and at such time or times as the Company or the Affiliate determines, a portion of the Shares issued with any cash proceeds realized on such sale to be remitted to, and used by, the Company or the Affiliate to satisfy the required tax remittance; or (iii) other arrangements acceptable to the Company or the Affiliate to fund the required tax remittance.

(b) Each Participant (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted to such Participant under this Plan, whether as a result of the grant or exercise of Options or otherwise. The Company makes no guarantee to any person regarding the tax treatment of Options and none of the Company nor any of its employees or representatives shall have any liability to any Participant with respect thereto.

**6.5. Amendments to the Plan**

(a) The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall materially adversely affect the terms or conditions of any Option previously granted to a Participant under the Plan without the consent of that Participant or materially and adversely impair any right of any Participant under any Option granted prior to the date of any such amendment or termination without the consent of such Participant. If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or Options it would be entitled to make if the Plan were still in effect.

(b) Subject to subsection (c) below, the Board may at any time, and from time to time, and without shareholder approval, amend any provision of the Plan, or any Options granted hereunder, or terminate the Plan, subject to any applicable regulatory or stock exchange requirements or approval at the time of such amendment or termination, including, without limitation:

(i) amendments relating to the exercise of Options, including by the inclusion of a cashless exercise feature whereby payment is in cash or Shares or otherwise;

(ii) amendments relating to the expiry of outstanding Options;

(iii) amendments deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws;

(iv) amendments relating to the assignability or transferability of Options;

(v) amendments to the definitions set out in Section 2;

(vi) amendments to the change of control provisions;

(vii) amendments relating to the administration of the Plan;

(viii) amendments to the vesting provisions of any outstanding Option(s);

(ix) amendments to the class of participants eligible to participate under the Plan;

(x) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the Exchange, including amendments of a "clerical" or "housekeeping" nature.

(c) Notwithstanding sub-section (b) above, the Board shall not be permitted to amend:

(i) the Plan in order to increase the maximum number of Shares which may be issued under the Plan so as to increase or remove the Insider participation limits;

(ii) the amending provisions of Section 6.5;

(iii) the exercise price of any Option issued under the Plan to an Insider where such amendment reduces the exercise price of such Option; or

(iv) the term of any Option issued under the Plan to an Insider where such amendment extends the term of such Option;

in each case without first having obtained the approval of a majority of the holders of the Shares voting at a duly called and held meeting of holders of Shares and, in the case of an amendment contemplated in subsection 6.5(c)(i), (iv) or (v), approval of a majority of the holders of the Shares voting at a duly called and held meeting of holders of Shares excluding shares voted by Insiders who are Eligible Persons.

(d) Notwithstanding the foregoing, any amendment to the Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the Exchange.

### 6.6. Form of Notice

A notice given to the Company shall be in writing, signed by the Participant and delivered to the head business office of the Company.

### 6.7. No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

### 6.8. Compliance with Applicable Law

The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange(s) on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the grant of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Shares are listed for trading. In this connection the Company shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for issuances of such Shares in compliance with applicable laws and for the admission to listing of such Shares on any stock exchange on which the Shares are then listed. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

### 6.9. No Assignment

No Participant may assign any of his or her rights under the Plan or any option granted thereunder other than in accordance with the provisions of the Plan.

### 6.10. Securities Laws of the United States of America

Neither the Options which may be granted pursuant to the provisions of the Plan nor the Shares which may be issued pursuant to the exercise of Options have been registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Act"**), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to make certain representations, warranties, acknowledgments and agreements as counsel to Corsa may advise and may be subject to restrictions on the disposition of the Shares.

### 6.11. Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

### 6.12. Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of Ontario and the laws of Canada applicable therein.

### 6.13. Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

### 6.14. Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Participants relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written. This Plan was adopted by the Board effective April 27, 2011.

**SCHEDULE "A"**
**CORSA COAL CORP.**
**STOCK OPTION PLAN - OPTION AGREEMENT**

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ■, 201■ [four months and one day after the date of grant].*

This Option Agreement is entered into between Corsa Coal Corp. ("the Company") and the Participant named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ■, 201■ (the "Grant Date");
2. ■ (the "Participant");
3. was granted the option (the "Option") to purchase ■ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of $■ per share;
5. which shall be exercisable on the following basis ■ (the "Vesting"); and
6. terminating on the ■, 201■ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Participant acknowledges that the Participant has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

(a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and

(b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ■ day of ■, 201■.

**CORSA COAL CORP.**

| | |
|---|---|
| Signature | Per: Authorized Signatory |
| Print Name | |
| Address | |

## SCHEDULE C

## AUDIT COMMITTEE CHARTER

Please see the following page.

# CORSA COAL CORP.
# AUDIT COMMITTEE MANDATE

## A. GENERAL

Primary responsibility for the Corporation's financial reporting obligations, information systems, financial information disclosure, risk management and internal controls is vested in management and overseen by the Board.

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Corporation's financial statements and the independence and performance of the Corporation's external auditor, acting as a liaison between the Board and the Corporation's auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

## B. COMPOSITION AND PROCESS

1. The Audit Committee will be comprised of a minimum of three directors. All of the members of the Audit Committee will be independent, as that term is defined in National Instrument 52–110 Audit Committees, unless otherwise exempted by NI 52 - 110.

2. Audit Committee members will be appointed by the Board on an annual basis for a one-year term and may serve any number of consecutive terms, which are encouraged to ensure continuity of experience.

3. All members of the Audit Committee will be financially literate, with financial literacy being the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

4. The Chair of the Audit Committee will be appointed by the Board on an annual basis for a one-year term and may serve any number of consecutive terms. The Audit Committee Chair will arrange for an alternate chair if he or she is planning to be absent. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.

5. The Audit Committee Chair will, in consultation with management, the external auditor and internal auditor (if any), establish the agenda for Audit Committee meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for review prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The external auditor will be entitled to attend and speak at each meeting of the Audit Committee concerning the Corporation's annual audited financial statements, and any other meeting at which the Audit Committee feels it is necessary or appropriate. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

6. The Audit Committee will meet a minimum of four times per year, at least once per quarter, and may call special meetings as required. A quorum at meetings of the Audit Committee will be a majority of its members if comprised of an odd number of members and one half of its members if comprised of an even number of members. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference call.

7. At all meetings of the Audit Committee every question will be decided by a majority of the votes cast. In case of an equality of votes, the Audit Committee Chair will not be entitled to a casting vote.

8. The minutes of Audit Committee meetings will accurately record the decisions reached and will be distributed to Audit Committee members with copies to the Board, the CEO, the CFO and the external auditor.

9. The CEO, CFO, any other director or any other person may attend and participate in meetings of the Audit Committee, if invited.

## C. AUTHORITY

10. The Audit Committee will have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

11. The Audit Committee will have direct communication channels with the external auditor and internal auditor (if any).

12. The Audit Committee will have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Audit Committee.

13. The Audit Committee will enquire about potential claims, assessments and other contingent liabilities.

14. The Audit Committee will periodically review with management depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.

15. The Audit Committee will, through the Audit Committee Chair, report to the Board following each meeting on the major discussions and decisions made by the Audit Committee, and will report annually to the Board on the Audit Committee's responsibilities and how it has discharged them.

## D. RELATIONSHIP WITH EXTERNAL AUDITOR

16. The Audit Committee will establish effective communication processes with management and the external auditor so it can objectively monitor the quality and effectiveness of the external auditor's relationship with the Audit Committee and management.

17. The Audit Committee will review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor and, if necessary, obtain a formal written statement from the external auditor setting forth all relationships between the external auditor and the Corporation.

18. The Audit Committee will take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor.

19. The Corporation's external auditor must report directly to the Audit Committee.

20. The Audit Committee must recommend to the Board:

    (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and

    (b) the compensation of the external auditor.

21. Unless otherwise permitted by NI 52-110, the Audit Committee must pre-approve all non-audit services to be provided by the external auditor, together with estimated fees, and consider the impact, if any, on the independence of the external auditor. The Audit Committee may delegate to one or more of its independent members the authority to pre-approve non-audit services, but no such delegation may be made to management of the Corporation. The pre-approval of non-audit services by any independent member of the Audit Committee to whom such authority has been granted must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. Non-audit services will include, without limitation, the following:

(a) Bookkeeping or other services related to the Corporation's accounting records or financial statements.

(b) Financial information systems design and implementation.

(c) Appraisal or valuation services, fairness opinions or contributions-in-kind reports.

(d) Actuarial services.

(e) Internal audit outsourcing services.

(f) Management functions.

(g) Human resources.

(h) Broker or dealer, investment adviser or investment banking services.

(i) Legal services.

(j) Expert services unrelated to the audit, including tax planning and consulting.

22. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

23. The Audit Committee will implement structures and procedures as it deems necessary to ensure that it meets with the external auditor on a regular basis independent of management.

## E. RELATIONSHIP WITH INTERNAL AUDITOR

24. The Audit Committee will review:

(a) The internal auditor's terms of reference.

(b) The plan and budget for preparation of the internal audit, including financial and operational activities.

(c) Material reports issued by the internal auditor and management's response to those reports.

25. The Audit Committee will approve the reporting relationship of the internal auditor to ensure appropriate segregation of duties is maintained and the internal auditor has direct access to the Audit Committee.

26. The Audit Committee will ensure the internal auditor's involvement with financial reporting is coordinated with the activities of the external auditor.

27. If no internal audit function exists, the audit committee will regularly review the need for such a function.

## F. ACCOUNTING SYSTEMS, INTERNAL CONTROLS AND PROCEDURES

28. The Audit Committee will obtain reasonable assurance from discussions with and/or reports from management and reports from the external auditor that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation, its subsidiaries and affiliates. The Audit Committee will review and consider any recommendations made by the external auditor, together with management's response, and the extent to which recommendations made by the external auditor have been implemented.

29. The Audit Committee will ensure that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.

30. The Audit Committee will review and discuss with management and the external auditor the clarity and completeness of the Corporation's financial and non-financial disclosures made pursuant to applicable continuous disclosure requirements.

31. The Audit Committee will review and discuss with management and the external auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.

32. The Audit Committee will review and discuss with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.

33. The Audit Committee will review with the external auditor the quality of the Corporation's generally accepted accounting principles and direct the external auditor's examinations to particular areas.

34. The Audit Committee will discuss with management and the external auditor the Corporation's underlying accounting policies and key estimates and judgments to ensure they are considered to be the most appropriate in the circumstances, within the range of acceptable options and alternatives.

35. The Audit Committee will review the procedures of the internal and external auditors to ensure the combined evaluating and testing of the Corporation's controls are comprehensive, well coordinated, cost effective and appropriate to relevant risks and business activities.

36. The Audit Committee will review all control weaknesses and deviations identified by management, the internal auditor or the external auditor together with management's response, and review with the external auditor their opinion of the qualifications and performance of the key financial and accounting executives.

37. The Audit Committee will review and discuss with management and the external auditor any proposed changes in major accounting policies and the financial impact thereof, and will from time to time benchmark the Corporation's accounting policies to those followed in its industry.

38. The Audit Committee will review and discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, which will include without limitation a review of:

    (a) The appetite for financial risk as set forth by management and the Board.

    (b) The Corporation's policies for the management of significant financial risk.

(c) Management's assessment of the significant financial risks facing the Corporation.

(d) Management's plans, processes and programs to manage and control financial risk.

39. The Audit Committee will establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

40. The Audit Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

41. The Audit Committee will review the Corporation's insurance policies, including directors' and officers' coverage, and make recommendations to the Board.

42. The Audit Committee will establish a periodic review procedure to ensure that the external auditor complies with the Canadian Public Accountability Regime under National Instrument 52–108 Auditor Oversight.

## G. FINANCIAL DISCLOSURE RESPONSIBILITIES

The Audit Committee will review and make recommendations on, prior to presentation to the Board for approval and the Corporation's dissemination to the public, all material financial information required to be disclosed by securities regulations. In fulfilling this responsibility, the Audit Committee will, without limitation, review:

43. The Corporation's annual and quarterly financial statements (including those of any subsidiaries and affiliates of the Corporation), management discussion and analysis and news releases, disclosing financial results and any prospectus, annual information form, offering memorandum or other disclosure documents containing financial information extracted or derived from its financial statements.

44. The Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

45. Disclosures made to the Audit Committee by the Corporation's CEO and CFO during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

## H. OTHER RESPONSIBILITIES

46. Review with the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation and the manner in which these matters are being disclosed in the financial statements.

47. Investigate fraud, illegal acts or conflicts of interest.

48. Discuss selected issues with legal counsel, the external auditor or management, or conduct special reviews or other assignments from time to time as requested by the Board, or by management with the Board's approval.

49. Review loans made by the Corporation to its directors, officers, employees and consultants.

50. The Audit Committee will review and assess its effectiveness, contribution and these Terms of Reference annually and recommend any proposed changes thereto to the Board.

## I. PROCEDURES FOR RECEIPT OF COMPLAINTS AND SUBMISSIONS RELATING TO ACCOUNTING MATTERS

The Audit Committee will inform all employees, at least annually, of the Complaints Officer designated from time to time by the Audit Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.

The Complaints Officer will keep any complaints or submissions received and the identity of employees making complaints or submissions confidential and only communicate same to the Audit Committee or the Chair of the Audit Committee.

The Complaints Officer will report to the Audit Committee as frequently as he or she deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Audit Committee called to approve interim and annual financial statements of the Corporation.

Upon receipt of a report from the Complaints Officer, the Audit Committee will discuss the report and take such steps as the Audit Committee may deem appropriate.

The Complaints Officer will retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.