CORSA COAL CORP.

MANAGEMENT INFORMATION CIRCULAR

Annual and Special Meeting of Shareholders

Wednesday, June 30, 2021

May 31, 2021

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 in a virtual only meeting format via live webcast online at https://web.lumiagm.com/265534679 (password: corsa2021) on Wednesday, June 30, 2021 at 9:00 a.m. (Eastern Daylight 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, 2020 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 Coulter & Justus, P.C., Certified Public 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 re-approve and ratify the Company's existing second amended and restated 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.

To address the on-going public health impact of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we have chosen to hold our Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. Registered shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online. Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting as guests, but will not be able to vote or ask questions at the Meeting.

The Circular and a form of proxy or voting instruction form, along with a one-page virtual meeting guide, 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 May 31, 2021.

Registered Shareholders

If you are a registered shareholder of the Company, are unable to attend the Meeting virtually 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.

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 their intermediaries to ensure that their shares will be voted at the Meeting.

Non-registered shareholders who wish to appoint a proxyholder other than the persons designated by the Company on the form of proxy (including a non-registered shareholder who wishes to appoint themselves as proxyholder) must carefully follow the instructions in the Circular and on their form of proxy. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Investor Services Inc. at www.computershare.com/CorsaCoal, following submission of a form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as the proxyholder's log-in credentials for the Meeting and which is required for them to vote at the Meeting. Consequently, such proxyholder would only be able to attend the Meeting online as a guest. Non-registered shareholders located in the United States

must also provide Computershare with a duly completed legal proxy if they wish to vote at the Meeting or appoint a third party as their proxyholder.

DATED this 31st day of May, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Peter V. Merritts*"
Peter V. Merritts
Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR
May 31, 2021

This management information circular (this "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, June 30, 2021 at 9:00 a.m. (Eastern Daylight Time) at https://web.lumiagm.com/ 265534679 (password: corsa2021) for the purposes set forth in the accompanying notice of the Meeting (the "Notice"). To address the on-going public health impact of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location.

In this Circular, (i) "Shareholder" means a Registered Shareholder and a Beneficial Shareholder (as defined below); (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 dollar amounts shown herein are in United States dollars. References to "CDN$" herein means Canadian dollars and references herein to "US$" means 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 or e-mail. 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, Canada, M5J 2Y1 not later than 9:00 a.m. (Eastern Daylight Time) on June 28, 2021 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays) prior to the reconvened or rescheduled Meeting, unless the Chair of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Appointment of a Proxyholder

A Shareholder has the right to appoint as his or her proxyholder a person, including himself or herself, 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. Registering a proxyholder is an additional step to be completed after a Shareholder has submitted their form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting.

Step 1: Submit your form of proxy: 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 specified time limits. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy.

Step 2: Register your proxyholder: To register a proxyholder, Shareholders must visit www.computershare.com/CorsaCoal by June 28, 2021 at 9:00 a.m. (Eastern Daylight Time), or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the reconvened or rescheduled Meeting, and provide Computershare the required proxyholder contact information so that Computershare may provide the proxyholder with a control number via email. Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as the proxyholder's log-in credentials for the Meeting, and which is required for them to vote at the Meeting. Consequently, such proxyholder would only be able to attend the Meeting online as a guest.

U.S. Beneficial Shareholders

To attend and vote at the Meeting, Beneficial Shareholders located in the United States must first obtain a valid legal proxy from their intermediary and then register with Computershare in advance of the Meeting. Such Beneficial Shareholders should follow the instructions from their intermediary that are included with their proxy materials or contact their intermediary to request a legal proxy form. After obtaining a valid proxy form, a copy of the legal proxy form must be submitted to Computershare in order to register and attend the Meeting. Requests for registration can be directed to Computershare by mail at Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by email at uslegalproxy@computershare.com. Requests for registration must be labeled as "Legal Proxy" and be received no later than 9:00 a.m. (Eastern Daylight Time) on June 28, 2021. Beneficial Shareholders in the United States will receive confirmation of their registration by email after Computershare receives the registration details. Please note that you are also required to register your appointment at www.computershare.com/CorsaCoal in order to attend and vote at the Meeting.

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. As of the date of this Circular, management of the Company is not aware of any 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 electronically during the Meeting or by proxy. If you wish to vote electronically during the Meeting, please do not complete or return the form of proxy included with this Circular. Your vote will be taken and counted during the Meeting. If you do not wish to virtually attend the Meeting to cast your vote, properly complete and deliver a form of proxy not later than 9:00 a.m. (Eastern Daylight Time) on June 28, 2021 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays) prior to the reconvened or rescheduled 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 Coulter & Justus, P.C., Certified Public 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 second 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.

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.

If Shares are listed in an account statement provided to a Shareholder by a broker or financial advisor, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder's intermediary. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc. ("CDS"), which acts as nominee for many Canadian brokerage firms).

There are two kinds of Beneficial Shareholders, namely: (i) those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners); and (ii) those who do not object to their name being made known to the issuers of the securities which they own (called "NOBOs" for Non-Objecting Beneficial Owners).

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Company is distributing copies of proxy-related materials in connection with the Meeting indirectly (through intermediaries) to NOBOs and the Company intends to pay for delivery to OBOs. The Company is not relying on the notice-and-access delivery procedures set out in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting. 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 online at the Meeting (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 proxyholder 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.**

In addition, Beneficial Shareholders will need to register themselves or their proxyholder with Computershare in accordance with the instructions provided above under "Appointment of a Proxyholder".

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 in any other manner permitted by law.

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 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.

Shareholders who log in to the Meeting using a control number, and who accept the terms and conditions displayed upon logging in, will be revoking any and all previously submitted proxies and will be provided the opportunity to vote online by ballot. Shareholders who do not wish to revoke all previously submitted proxies should log in as a guest.

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 May 31, 2021, 103,275,076 Shares were issued and outstanding, each carrying the right to one vote per Share at the Meeting. At least two Shareholders present at the Meeting or by proxy, holding or representing by proxy not less than 5% of the outstanding Shares, will constitute a quorum.

The board of directors of the Company (the "Board") has fixed the close of business on May 31, 2021 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 May 31, 2021	Approximate Percentage of Outstanding Shares[(1)]
QKGI Legacy Holdings LP ("Legacy QKGI"); QKGI New Holdings LP ("New QKGI"); Quintana Energy Partners II, LP; and Quintana Energy Partners II – TE, LP[(2)(3)]	46,877,551	45.39%
7International Anstalt ("Sev.en Energy")[(4)]	16,244,765	15.73%
Lorito Holdings S.à r.l. and Zebra Holdings & Investments S.à r.l.[(5)]	15,435,566	14.95%

Notes:

(1) Calculated on the basis of 103,275,076 Shares outstanding as of May 31, 2021.

(2) Quintana Energy Partners L.P. and its affiliated funds (collectively, "Quintana"), based in Houston, Texas, are the beneficial owners of Legacy QKGI, New QKGI, Quintana Energy Partners II, LP and Quintana Energy Partners II – TE, LP. 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.

(3) Information concerning the holdings of Quintana has been based solely upon reports filed on the System for Electronic Document Analysis and Retrieval ("SEDAR"), at www.sedar.com, and on the System for Electronic Disclosure by Insiders ("SEDI"), at www.sedi.ca.

(4) Information concerning the holdings of Sev.en Energy has been based solely upon reports filed on SEDAR and SEDI.

(5) 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 SEDAR and SEDI.

As at May 31, 2021 CDS & Co., the nominee of CDS, is the registered owner of 55,042,028 Shares which represents approximately 53.30% of the issued and outstanding Shares. Certain principal shareholders disclosed in the previous table may hold certain of their Shares indirectly through CDS. 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, other than as disclosed in the previous table. 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

Pursuant to the *Canada Business Corporations Act* (the "CBCA"), a simple majority of the votes cast is required to pass an ordinary resolution and two-thirds of the votes cast is required to pass a special resolution. At the Meeting, Shareholders will be asked to consider, and if thought fit, to pass an ordinary resolution to re-approve and ratify the Company's existing second amended and restated stock option plan without change, as more particularly described in this Circular. At the Meeting, Shareholders will also be asked to elect directors of the Company and appoint an auditor of the Company for the ensuing year while authorizing the directors of the Company to fix the auditor's remuneration. 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.

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, 2020 and the report of the auditor of the Company thereon will be placed before the Meeting (the "Annual Financials"). Receipt at the Meeting of the Annual Financials will not constitute approval or disapproval of any matters referred to therein.

The Annual Financials and the management's discussion and analysis of the Company for the year ended December 31, 2020 are available upon request to the Company or under the Company's profile on SEDAR at www.sedar.com.

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* ("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 a supplemental mailing list request form to Computershare, at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

2. Election of Directors

The Company's articles provide for a minimum of three and a maximum of fifteen directors. The Board currently consists of seven 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 seven directors.

The seven persons listed on the following pages are nominated for election as directors of the Company. The proposed nominees listed below 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, the record of attendance at meetings of the Board and its committees during the year ended December 31, 2020 and director election voting results at the Company's 2020 annual and special meeting of Shareholders 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 is currently comprised of seven directors, as follows: (i) four nominees of Legacy QKGI and New QKGI (Robert C. Sturdivant, Alan M. De'Ath, Ronald G. Stovash and Kai Xia); and (ii) three nominees provided by the management of the Company (John H. Craig, Peter V. Merritts and Robert Scott).

Name, Place of Residence, Office and Year First Became Director	Current Principal Occupation[1], Biography, Directorships, Meetings Attended and 2020 Annual and Special Meeting Results	Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at May 31, 2021[1]
Robert C. Sturdivant Houston, Texas United States Director and Chair 2017	Chief Financial Officer of certain Quintana affiliates and Vice President – Quintana Minerals Corporation since 1974. Mr. Sturdivant is currently the Chief Financial Officer of certain Quintana affiliates and has served in various roles including Vice President of Finance and Managing Director of Risk Management with Quintana and its affiliates since 1974. Previously, Mr. Sturdivant worked for Arthur Andersen & Co. from 1972 until 1974. Mr. Sturdivant serves as a director on the boards of several private entities and served as Chairman of the Board for Genesis Energy, LLC, a publicly held Master Limited Partnership listed on the New York Stock Exchange. Mr. Sturdivant attended The University of Texas where he earned an MBA in finance and accounting and a Bachelor of Arts in history. Mr. Sturdivant is a Certified Public Accountant and holds a Series 7 Security License. Mr. Sturdivant is not a director of any other reporting issuers. Meetings attended: Board – 16 of 18 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.16%	Nil
John H. Craig Toronto, Ontario Canada Director 2010	Senior Counsel at Cassels Brock and Blackwell LLP since January 2016. Mr. Craig is a senior counsel at Cassels Brock and Blackwell LLP, specializing in securities law for over 35 years acting primarily for public mining companies. Previously, Mr. Craig was a partner at Cassels Brock and Blackwell LLP since 1994. Mr. Craig is currently a director of Lundin Mining Corporation (TSX:LUN), Consolidated HCI Holdings Corporation (TSX:CXA.B) and Africa Oil Corp. (TSXV:AOI). Meetings attended: Board – 17 of 18 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.24%	19,500
Alan M. De'Ath[2][3] Oakville, Ontario Canada Director 2013	Director and President of AMDresources since January 2013. Mr. De'Ath has over 35 years international financial, marketing, corporate and operational experience as a senior executive in the mining industry in a range of commodities. He is currently a strategic advisor to several mining companies around the world. Mr. De'Ath had a 20-year career with Rio Tinto PLC where he was Finance Director and Commercial Director, as well as executive board member, of Rio Tinto subsidiaries in the UK, Portugal and Namibia. Following his Rio Tinto career, Mr. De'Ath has had worldwide mining industry experience across a range of commodities as CFO of TVX Gold, CFO then CEO of Ivernia, CEO and then Deputy Chairman of the Enirgi Group, and Strategic Advisor to the Avanco Resources board on offtake and financial risk management. He is a Fellow of the Chartered Institute of Management Accountants (UK) and a Chartered Global Management Accountant. Mr. De'Ath is not a director of any other reporting issuers. Meetings attended: Board – 18 of 18 Audit Committee – 11 of 11 Health, Safety and Environment Committee – 4 of 4 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.16%	Nil

Name, Place of Residence, Office and Year First Became Director	Current Principal Occupation[1], Biography, Directorships, Meetings Attended and 2020 Annual and Special Meeting Results	Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at May 31, 2021[1]
Peter V. Merritts Greensburg, Pennsylvania United States Director and Chief Executive Officer 2019	Chief Executive Officer of the Company. Previously, Mr. Merritts was the President of the Company's Northern Appalachia Division since February 2015. He has over 40 years of experience in the coal industry, including as the President of the Pennsylvania-based AMFIRE Mining Company, a former subsidiary of Alpha Natural Resources, and leadership positions at Mapco Coal, Inc. (now Alliance Resource Partners, LP) and Bethlehem Steel Corporation. Mr. Merritts is not a director of any other reporting issuers. Meetings attended: Board – 18 of 18 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.24%.	23,317
Kai Xia Bellaire, Texas United States Director 2017	President and Chief Executive Officer, Great Northern Properties LP and Executive Vice President, Pocahontas Royalties LLC, both of which are Quintana affiliated companies. Previously, Mr. Xia was Vice President of Corporate Development at the Company from August 2014 to January 2017. Prior to his role at the Company, Mr. Xia was Vice President at Quintana Energy Partners covering the coal and downstream sector. Mr. Xia attended the University of California at Berkeley, where he earned a B.S. in Electrical Engineering and Computer Science. Mr. Xia is not a director of any other reporting issuers. Meetings attended: Board – 17 of 18 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.16%	Nil
Robert Scott[2][3][4] Bonita Springs, Florida United States Director 2009	Retired. Mr. Scott has over 40 years of experience in the coal industry, most recently as President and Chief Executive Officer of PBS Coals Inc. Mr. Scott is a fellow of the Chartered Institute of Management Accountants (UK) and a Chartered Accountant (Scotland). Previously Mr. Scott served as CFO and director of Derek Crouch PLC (formerly listed on the LSE) from 1972 to 1983. Mr. Scott is not a director of any other reporting issuers. Meetings attended: Board – 18 of 18 Audit Committee – 11 of 11 Health, Safety and Environment Committee – 4 of 4 Compensation Committee – 13 of 13 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.24%	Nil

Name, Place of Residence, Office and Year First Became Director	Current Principal Occupation[1], Biography, Directorships, Meetings Attended and 2020 Annual and Special Meeting Results	Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly, as at May 31, 2021[1]
Ronald G. Stovash[2][3][4] Naples, Florida United States Director 2013	Chairman of the Board, Mon Health System. Mr. Stovash is currently the Chairman of the Board of Mon Health System located in Morgantown, West Virginia, which consists of three hospitals, county-wide emergency medical services, a retirement community and a medical supply company. He has served on the Board of Directors since 2008 and is also Chair of the Governance, Nominating, and Compensation Committee while serving on the Quality and Compliance Oversight, Finance and Audit and Strategic Planning Committees, respectively. Previously, Mr. Stovash served as 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. Mr. Stovash is not a director of any other reporting issuers. Meetings attended: Board – 18 of 18 Audit Committee – 11 of 11 Health, Safety and Environment Committee – 4 of 4 Compensation Committee – 13 of 13 2020 Annual and Special Meeting Results (Percentage of Votes Cast For): 99.17%	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 – Director Compensation" for additional information.

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

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

(4) 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.

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: (i) 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 (ii) 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

To the knowledge of management of the Company, no director of the Company is or has, within the 10 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

To the knowledge of management of the Company and except as set out below, 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:

(i) 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;

(ii) 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

(iii) 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.

John Craig was a director of Sirocco Mining Inc. ("Sirocco") until November 8, 2013. On October 13, 2014, RB Energy Inc. ("RB Energy"), a successor company to Sirocco, filed for protection under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"). Although Mr. Craig was never a director, officer or insider of RB Energy, he was a director of Sirocco within the 12-month period prior to RB Energy filing under the CCAA.

Advance Notice Policy

Effective May 29, 2020, the Board adopted Amendment No. 1 (the "By-Law Amendment") to General By-Law No. 1 of the Company ("By-Law No. 1") which contains certain advance notice requirements in connection with the nomination of directors (the "Advance Notice Requirements"). The By-Law Amendment, including the Advance Notice Requirements, was approved and ratified by Shareholders on June 30, 2020.

The Advance Notice Requirements, among other things, fix a deadline by which Shareholders must submit a notice of director nominations to the Company prior to any annual or special meeting of Shareholders where directors are to be elected and set forth the information that a Shareholder must include in the notice for it to be valid. In the case of: (i) an annual meeting (or an annual and special meeting) of Shareholders, notice must be provided not later than the close of business on the 30th day before the date of the meeting; provided, however, if the date (the "Notice Date") on which the first public announcement made by the Company of the date of such meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) a special meeting (which is not also an annual meeting) of Shareholders, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Company. However, with respect to the first annual meeting of Shareholders or any adjournment or postponement thereof held after the adoption of the Advance Notice Requirements by the Board, the timely notice requirements set out above shall be varied such that a nominating Shareholder's notice to the Company must be given no later than the close of business on the tenth (10th) day following the first public announcement of the Advance Notice Requirements. In addition, if "notice and access" (as defined in NI 54-101) is used for delivery of proxy related materials in respect of a meeting described in clause (i) or (ii) above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the nominating Shareholder shall be made, in the case of an annual meeting (or an annual and special meeting) of Shareholders, not later than the close of business on the 10th day following the Notice Date and, in the case of a special meeting (which is not also an annual meeting) of Shareholders, not later than the close of business on the 15th day following the Notice Date. In the event that the number of directors to be elected at a meeting is increased effective after the time period for which the nominating Shareholder's notice would otherwise be due under the Advance Notice Requirements, a notice with respect to nominees for the additional directorships required by the Advance Notice Requirements will be considered timely if given not later than the close of business on the 10th day following the day on which the first public announcement of such increase was made by the Company.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Requirement.

3. Appointment and Remuneration of the Auditor

On August 31, 2020, Urish Popeck & Co., LLC, Certified Public Accountants ("Urish Popeck") resigned and the Company appointed Coulter & Justus, P.C. ("Coulter & Justus"), 9717 Cogdill Road #201, Knoxville, Tennessee 37932, United States as the successor auditor effective as of the same date. Urish Popeck had been the auditor of the Company since December 31, 2015. Urish Popeck resigned upon the Company's request. The resignation of Urish Popeck and the appointment of Coulter & Justus as the successor auditor was considered and approved by the Audit Committee and the Board. There were no reservations in Urish Popeck'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 on the date of Urish Popeck'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 successor auditor, which was filed with the requisite securities regulatory authorities on SEDAR on August 31, 2020.

Shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution to appoint Coulter & Justus 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 enclosed proxy intend to vote FOR the appointment of Coulter & Justus 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 Coulter & Justus' 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 second amended and restated stock option plan (the "Option Plan"). A summary of the Option Plan is set out below, but is qualified in its entirety by the full text of the Option Plan, attached as Schedule B to this Circular.

The Option Plan was approved and re-adopted by the Shareholders at the last annual and special meeting of the Shareholders held on June 30, 2020, by 99.87% of the votes cast. There are currently 5,206,545 stock options ("Options") outstanding under the Option Plan representing approximately 5.0% of the total number of Shares outstanding on May 31, 2021.

Employees, executive officers, directors and consultants of the Company or an affiliate of the Company (the "Eligible Persons") are eligible to participate in the Option Plan. The purpose of the Option 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 Option 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 Option 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 Option 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 that 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 ("Fair Market Value").

The Board, in its sole and absolute discretion, may, other than where the Shares are listed on the TSX Venture Exchange ("TSXV") and such exercise is prohibited by the policies of the TSXV, permit an Option holder to elect to exercise Option(s) on a "net" cashless basis ("Net Cashless Exercise"), whereby an Option holder is entitled to receive, without any payment of the exercise price of the Shares to be purchased pursuant to the exercise of the Option(s), the number of Shares obtained pursuant to the following formula, after deduction of any withholding obligations:

X = [Y(A-B)]/A

Where:

X = the aggregate number of Shares to be issued to the Option holder upon such Net Cashless Exercise
Y = the aggregate number of Shares underlying the Option(s) being exercised
A = the Fair Market Value as of the date of receipt by the Company of a notice of an election to undertake Net Cashless Exercise from the Option holder, if greater than the exercise price
B = the exercise price of the Option(s) being exercised

The Board, in its sole and absolute discretion, may permit an Option holder to elect to exercise Option(s) on a "broker-assisted" cashless basis ("Broker-Assisted Cashless Exercise"), whereby an Option holder is entitled to pay the aggregate exercise price of the Option(s) being exercised by providing (i) irrevocable instructions to the Company to deliver the Shares issuable upon such Broker-Assisted Cashless Exercise promptly to a broker (acceptable to the Company) for the Option holder's account, and (ii) irrevocable instructions to the broker to sell the Shares sufficient to pay the aggregate exercise price of the Option(s) being exercised (plus any amount required for any withholding obligations) and upon such sale to deliver the aggregate exercise price (plus any amount required for any withholding obligations) to the Company.

The expiry date for each Option is set by the Board at the time of the grant of the Option under the Option 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 Option 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 Option 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 Option 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 make certain amendments to the Option 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 Option 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 Option 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 Option Plan or increasing or removing the insider participation limits; (ii) an amendment to the provisions of the Option Plan; (iii) a change of 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 Option Plan to an insider where the amendment extends the term.

Shareholders will be asked at the Meeting to consider, and if thought fit, to approve the following ordinary resolution approving and ratifying the Option Plan:

"NOW THEREFORE BE IT RESOLVED THAT:

1. the Company's existing second amended and restated stock option plan attached as Schedule B to the Company's Management Information Circular dated May 31, 2021 (the "Option Plan"), including the reservation for issuance under the Option Plan at any time of a maximum of 10% of the total number of issued and outstanding common shares of the Company on a non-diluted basis, be and is hereby ratified, confirmed and approved;

2. the board of directors of the Company be authorized to administer the Option Plan and amend or modify the Option Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and

3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution."

The Board recommends that Shareholders vote to re-approve the Option Plan. To be effective, the resolution must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **Unless a proxy contains instructions to vote against the re-approval of the Option Plan, the persons named in the enclosed proxy intend to vote FOR the re-approval and ratification of the Option Plan.**

REPORT OF VOTING RESULTS

If required by applicable law, the Company will report the voting results from the Meeting 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 March 6, 2017 (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 Ronald G. Stovash. 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 Chair 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 Chair	Mr. De'Ath has over 35 years of international financial, marketing, corporate and operational experience as a senior executive in the mining industry in a range of commodities. Mr. De'Ath has been both the CEO and the CFO of public companies 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.
Ronald G. Stovash	Mr. Stovash has been president and CEO of public and private companies and has spent over 45 years in the coal industry as a senior industry executive with experience in operations, engineering, marketing, transportation and corporate administration. He currently serves as Chairman of the Board of Mon Health System and, among other positions he holds, is a member of its Finance and Audit Committee.

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 Urish Popeck, the external auditors of the Company, for services provided to the Company during the financial year ended December 31, 2020 ("2020FY") and during the financial year ended December 31, 2019 ("2019FY").

Category of Fee	Description	2020FY	2019FY
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.	$214,679	$409,909
Tax Fees	Tax compliance and the preparation of tax returns.	$109,073	$124,482

Category of Fee	Description	2020FY	2019FY
Total Fees		$323,752	$534,391

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 seven directors, four of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. John H. Craig, Alan De'Ath, Robert Scott and Ronald G. Stovash are considered to be independent directors of the Company. Mr. Peter V. Merritts is not considered to be independent as he is an executive officer of the Company. Mr. Robert C. Sturdivant is not considered to be independent as he is the Chief Financial Officer of certain Quintana affiliates and Mr. Kai Xia is not considered to be independent as he is President and Chief Executive Officer of Great Northern Properties LP and Executive Vice President of Pocahontas Royalties LLC, both of which are affiliates of Quintana. Quintana is a significant shareholder of the Company. The Board operates with three committees of the Board, namely, the Audit Committee, the Health, Safety and Environment 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. 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 recently updated Code of Conduct, which is posted under its 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 mining 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 nomination of the seven incumbent directors who are standing for re-election 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 CEO

The members of the Compensation Committee are Messrs. Robert Scott and Ronald G. Stovash, each an independent director of the Company. Mr. Stovash is the Chair of the Compensation Committee. The Compensation Committee has responsibility for determining compensation for the directors and senior management. To determine compensation payable, the Compensation Committee reviews compensation paid to 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 Chief Executive Officer 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

Each committee of the Board operates pursuant to a written mandate which is reviewed and reconfirmed by such committee and the Board. The Board has established an Audit Committee whose mandate and composition are discussed in this Circular. The mandate of the Compensation Committee is described in this Statement of Corporate Governance Practices and in the Compensation Discussion and Analysis set out below while the Health, Safety and Environment Committee functions to ensure the Company's compliance with applicable health, safety and environmental laws while developing, implementing and monitoring programs to maximize the Company's performance in these areas. As the directors are actively involved in the operations of the Company, the Board has determined that additional committees (other than the Audit, Health, Safety and Environment and Compensation Committees) are not necessary at this stage of the Company's development.

Nomination and Assessment

Subject to the Investor Rights Agreement and the Subscription 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.

Director Term Limits

The Company currently has not adopted a policy with respect to term limits for directors. While term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deeper knowledge and understanding of the Company over time. The Board does not believe that long tenure impairs a director's ability to act independently of management.

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.

Diversity and Inclusion

Effective January 1, 2020, the CBCA was amended to require additional disclosure regarding diversity. The Company has not adopted a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities and members of visible minorities (collectively, "Designated Groups") as directors to the Company's Board. The Company has not adopted such a policy, written or otherwise, because the Board generally considers diversity of race, ethnicity, gender, age, national origin, Aboriginal status, disability, sexual orientation, visible minority status, cultural background, professional experience and other factors in evaluating candidates for membership to the Board. While the Company does not have a specific policy, it does consider diversity of race, ethnicity, gender, age, national origin, Aboriginal status, disability, sexual orientation, visible minority status, cultural background, professional experience and other factors in evaluating candidates for membership to the Board.

The Company does not consider the level of representation of members of Designated Groups on the Board or in positions of senior management because in considering individuals as potential directors or members of senior management, the Company at all times seeks the most qualified persons. The Company believes that this approach enables it to make decisions regarding the composition of the Board and senior management team based on what is in the best interests of the Company and its Shareholders**.** In addition, the Company has not adopted a target for Designated Groups on the Board or in senior management positions because the Company does not believe that any candidate should be chosen nor excluded solely or largely due to self-identification as a member of a Designated Group. In selecting a candidate, the Company considers the skills, expertise and background that would complement the existing senior management team or Board.

As of the date hereof, no member of the Company's senior management team self-identifies as a woman, a person with a disability, a visible minority or an Aboriginal person. One member (14%) of the Board identifies as a visible minority; no member of the Board self-identifies as a woman, a person with a disability, a visible minority or an Aboriginal person.

COMPENSATION INFORMATION

Compensation Discussion and Analysis

Introduction

As of the date hereof, the Compensation Committee of the Board of Directors, is comprised of Messrs. 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. Stovash is the Chair of the Compensation Committee.

This compensation discussion and analysis describes and explains the Company's policies and practices with respect to the compensation of its Named Executive Officers ("NEOs") comprised of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the three most highly compensated executive officers other than the CEO and the CFO whose total compensation was, individually, more than $150,000 for the financial year. The Company's NEOs at December 31, 2020 were as follows: Mr. Peter V. Merritts, CEO and Mr. Kevin M. Harrigan, CFO and Corporate Secretary. In addition to these NEOs, Mr. Frederick N. Cushmore, Jr., formerly Vice President and Head of International Sales, was employed by the Company during the 2020FY but was no longer employed at December 31, 2020.

The Compensation Committee determines the compensation of the Company's CEO 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 Compensation Committee 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 2020FY is provided under the heading "Summary Compensation Table" below. A summary of the compensation received by the directors of the Company for the 2020FY 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 helps create long-term shareholder value.

Elements of Compensation

During 2020FY, the key elements used to compensate the NEOs were base salary, non-equity annual incentive plan compensation and long-term incentives in the form of stock options.

Determination of Compensation

The Compensation Committee 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 2020FY related to safety, individual and Company performance and compliance with environmental laws and regulations.

The following table describes the different compensation components that make up total executive pay to meet the objectives of the Company's compensation philosophy. The table provides a description of each component's key features and objectives:

Compensation Elements, Key Features and Objectives

Compensation Elements	Key Features	Objectives
Base Salary	• In effect for 12-month period	• Attract and retain talented executives • Recognize individual experience, level of responsibility and performance
Annual Bonus Program	• Based on the achievement of corporate, team and individual goals in the context of the overall performance of the Company • Payments can be above (up to 125%) or below target (to zero) depending on performance • NEO weightings of corporate, team and individual ratings vary by level	• Motivate and reward NEOs to meet the Company's near-term objectives using a performance-based compensation program with objectively determined goals • Reward achievement of team goals • Recognize individual contributions

Long Term Incentive Plan

Stock Options	• Time vesting; generally, 1/3 on first, second and third anniversaries of grant • Expire after 5 years	• Encourage participants to pursue opportunities that increase shareholder value over the long-term • Promote retention
Restricted Unit Plan	• Time vesting; 1/3 on first, second and third anniversaries of grant	• Promote retention • Provide immediate sense of ownership • Allow greater resiliency under all market conditions

Other Benefits

401(k) Matching	• Annual funding of 3% of salary into 401(k) plan • 100% company match on the first 3% contributed into 401(k) plan (suspended in August 2020)	• Provide competitive benefits to increase income security in retirement
Health and Other Benefits	• Health, dental, vision, life insurance and disability plans	• Provide market competitive benefits
Vehicle Allowances	• Monthly vehicle allowance to cover all vehicle expenses except fuel	• Compensate individuals who require significant driving to perform their duties

Base Salaries – Base salaries for the NEOs are generally fixed by the Board with the recommendations from the Compensation 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. Such companies will typically include public mining sector companies listed in the United States and Canada with operations or development activity in similar nature to the Company and market capitalization in the range of approximately 0.5 to 2.0 times that of the Company. The base salaries for the NEOs are set out below.

Annual Bonus Program – The granting of cash or non-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 bonus as well as the amount to be granted, if any. The objective of the annual 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. Performance objectives may include, but are not limited to, safety and regulatory performance, cash mining costs versus budget, progress on cost reduction initiatives, achieving financial, sales and strategic objectives, reporting and audit related objectives, performance versus the capital budget and special projects and initiatives. The Compensation Committee may at its discretion, elect to pay cash bonuses in the form of stock options. The Board reviews and approves recommendations for annual 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 Option 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 into 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.

Share-Based Awards – Equity incentive compensation in the form of restricted stock units ("RSU") have not yet been issued but in the future may comprise a portion of overall compensation for the NEOs and the Board. The Compensation Committee believes that the Company's restricted share unit plan (the "RSU Plan") dated May 25, 2015 and approved by the Shareholders on June 23, 2015 will encourage eligible participants to acquire a proprietary interest in the Company through ownership of the Shares and provide eligible participants with additional incentive to further the growth and development of the Company and to encourage them to remain in the employment or service of the Company.

The grant of an RSU to an eligible participant under the RSU Plan (the "RSU Participant") entitles such RSU Participant, subject to the RSU Participant's satisfaction of any conditions, restrictions or limitations imposed under the RSU Plan or the applicable grant agreement, to receive from the Company (or an affiliate) payment in cash or, at the option of the Company (or such affiliate), payment in fully paid Shares. The grant of an RSU does not entitle the RSU Participant to exercise any voting rights, receive any dividends or exercise any other right which attaches to ownership of Shares of the Company. Additionally, the rights or interests of an RSU Participant under the RSU Plan shall be exercisable during the lifetime of an RSU Participant only by such RSU Participant and after death only by the RSU Participant's legal representatives, provided that grants can only be redeemed if the performance or other criteria that must be achieved during the grant period have been satisfied.

The number of RSU Securities issuable pursuant to the RSU Plan shall not exceed 5,953,852, provided that, notwithstanding the foregoing, the number of RSUs that may be issued pursuant to the RSU Plan, together with the aggregate number of Shares issuable under any other previously established share compensation arrangement of the Company:

(i) in aggregate shall not exceed 20% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) on the date of grant; and

(ii) to "insiders" (as such term is defined under the policies of the TSXV) as a group shall not exceed 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) on the date of grant.

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

Risk Implications Associated with Compensation Policies and Practices

The Compensation Committee and the Board have considered the implications of the risks associated with the Company's compensation policies and practices and have determined that there are no significant areas of risk due to the discretionary nature of such policies and practices. The determination was based on a number of factors, including, without limitation, that there are no compensation policies and practices that are structured significantly different for any NEO and that the Company attempts to achieve a balance between cash and equity compensation which are based on both corporate and individual performance. The ability of the Compensation Committee and the Board to consider factors such as personal contributions to corporate performance and non-financial, non-production or non-reserves based elements of performance allows the Compensation Committee and the Board to consider whether executive officers have attempted to bolster short-term results at the expense of the long-term success of the Company in determining executive compensation. In addition, as the compensation program consists of fixed (base salary) and variable (annual cash bonuses and Option grants) components, the incentive for short-term risk taking is balanced with the incentive to focus on generating long-term sustainable value for Shareholders.

Summary Compensation Table

The following table sets forth compensation information for the 2020FY, 2019FY and the financial year ended December 31, 2018 ("2018FY") for the following NEOs: the CEO; the CFO; and other NEOs. During 2020FY, 2019FY and 2018FY, the Company did not have a pension plan.

Name and Principal Position	Financial Year	Salary ($)	Option-Based Awards[1] ($)	Non-Equity Annual Incentive Plan Compensation ($)	All Other Compensation[2] ($)	Total Compensation ($)
Peter V. Merritts	2020	364,154	-	80,000	15,321[5]	459,475
Chief Executive Officer	2019	326,387	34,240[3]	105,188	16,800[5]	482,615
	2018	288,400	56,549[4]	70,000	12,916[5]	427,865
Kevin M. Harrigan	2020	338,866	-	120,000	14,851[5]	473,717
Chief Financial Officer and	2019	311,916	28,533[6]	131,000	16,800[5]	488,249
Corporate Secretary	2018	283,260	69,474[7]	72,500	12,375[5]	437,609
Frederick N. Cushmore Jr.[8]	2020	195,858	-	-	11,233[5]	207,091
Vice President and Head of	2019	246,895	17,120[9]	67,909	14,814[5]	346,738
International Sales	2018	238,462	48,470[10]	71,000	8,023[5]	365,955

Notes:

(1) The value of the Options 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 utilized a historical forfeiture rate which is updated at each grant date. 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) Options to purchase 300,000 Shares at an exercise price of CDN$0.38 per share were granted on November 6, 2019. Each of the Options granted have an estimated grant date fair value of CDN$0.20 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life - 2 to 4 years, risk free interest rate – 1.59% to 1.61%, expected volatility - 65% to 102% and forfeiture rate – 12.43%. The total value in CDN$ was translated to US$ using an exchange rate of 0.7556, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rates for the period from January 1 to December 31, 2019.

(4) Options to purchase 175,000 Shares at an exercise price of CDN$0.90 per share were granted on November 7, 2018. Each of the Options granted have an estimated grant date fair value of CDN$0.54 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life - 2 to 4 years, risk free interest rate – 2.94% to 3.03%, expected volatility - 66% to 112% and forfeiture rate - 11.16%. The total value in CDN$ was translated to US$ using an exchange rate of 0.7694, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rates for the period from January 1 to December 31, 2018.

(5) Company contribution to the NAPP Division 401(k) plan, which is a personal retirement savings plan, of 3% of salary and a Company match of 100% of the first 3% contributed to the 401(k) plan for FY 2020 (through August 2020 at which point the match was suspended), FY 2019 and FY2018. The NAPP Division 401(k) plan was implemented and became effective as of December 8, 2010.

(6) Options to purchase 250,000 Shares at an exercise price of CDN$0.38 per share were granted on November 6, 2019. Each of the Options granted have an estimated grant date fair value of CDN$0.20 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life - 2 to 4 years, risk free interest rate – 1.59% to 1.61%, expected volatility - 65% to 102% and forfeiture rate – 12.43%. The total value in CDN$ was translated to US$ using an exchange rate of 0.7556, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rates for the period from January 1 to December 31, 2019.

(7) Options to purchase 215,000 Shares at an exercise price of CDN$0.90 per share were granted on November 7, 2018. Each of the Options granted have an estimated grant date fair value of CDN$0.54 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life - 2 to 4 years, risk free interest rate – 2.94% to 3.03%, expected volatility - 66% to 112% and forfeiture rate - 11.16%. The total value in CDN$ was translated to US$ using an exchange rate of 0.7694, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rates for the period from January 1 to December 31, 2018.

(8) Mr. Cushmore's employment with the Company ended on October 9, 2020. His 2020FY salary is prorated to reflect his termination date.

(9) Options to purchase 150,000 Shares at an exercise price of CDN$0.38 per share were granted on November 6, 2019. Each of the Options granted have an estimated grant date fair value of CDN$0.20 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life - 2 to 4 years, risk free interest rate – 1.59% to 1.61%, expected volatility - 65% to 102% and forfeiture rate – 12.43%. The total value in CDN$ was translated to US$ using an exchange rate of 0.7556, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rates for the period from January 1 to December 31, 2019.

(10) Options to purchase 150,000 Shares at an exercise price of CDN$0.90 per share were granted on November 7, 2018. Each of the Options granted have an estimated grant date fair value of CDN$0.54 per Option calculated using Black-Scholes based on the additional following grant date assumptions: expected life - 2 to 4 years, risk free interest rate – 2.94% to 3.03%, expected volatility - 66% to 112% and forfeiture rate - 11.16%. The total value in CDN$ was translated to US$ using an exchange rate of 0.7694, which was calculated using the monthly average of the Bank of Canada closing CDN$ to US$ exchange rates for the period from January 1 to December 31, 2018.

Employment Agreements, Termination and Change of Control

Employment Agreements

Peter V. Merritts, Chief Executive Officer of the Company, has an employment agreement with the Company and Wilson Creek Holdings Inc., a wholly owned subsidiary of the Company, dated January 23, 2020 with an effective commencement date of July 12, 2019, as amended on December 22, 2020. Under his employment agreement, Mr. Merritts is entitled to an annual salary of $360,000. 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. Merritts 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 Option 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. Merritts' employment agreement without cause in which case the Company shall pay Mr. Merritts a monthly compensation (the "Merritts Monthly Compensation") for up to 12 months following the date of termination, calculated as follows: (a) the aggregate of (i) his annual salary at the date of termination and (ii) an amount equal to the average of the annual bonus paid to Mr. Merritts in the two years prior to the year in which such termination takes place; divided by (b) 12. On a change of control of the Company and Mr. Merritts' employment is terminated in the 12 months following such change of control, as defined in Mr. Merritts' employment agreement, the Company shall pay Mr. Merritts a lump sum amount equal to 24 times the Merritts Monthly Compensation. Mr. Merritts is subject to a 12-month non-compete covenant and a 24-month non-solicitation covenant following the termination of employment. For a termination without cause at December 31, 2020, Mr. Merritts would have been entitled to a payment of $452,594. For termination after a change of control at December 31, 2020, Mr. Merritts would be entitled to a payment of $905,188. In addition, Mr. Merritts may be entitled to a discretionary severance payment of $150,000 upon separation from the Company to be determined at the sole discretion of the Compensation Committee.

Kevin M. Harrigan, Chief Financial Officer and Corporate Secretary of the Company, has an employment agreement with the Company and Wilson Creek Holdings Inc., a wholly owned subsidiary of the Company, dated June 2, 2015 as amended on December 20, 2018 and further amended on December 22, 2020. Under his employment agreement, Mr. Harrigan is entitled to an annual salary of $335,000. 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. Harrigan 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 Option Plan and any other equity or share ownership plans adopted by the Company from time to time. Option grants are at the discretion of the Board. The Company may terminate Mr. Harrigan's employment agreement without cause in which case the Company shall pay Mr. Harrigan a monthly compensation (the "Harrigan Monthly Compensation") for up to 12 months following the date of termination calculated as follows: (a) the aggregate of (i) his annual salary at the date of termination and (ii) an amount equal to the average of the annual bonus paid to Mr. Harrigan in the two years prior to the year in which such termination takes place (or, in the absence of two years history of bonus compensation, a deemed amount of 50% of the then annual salary); divided by (b) 12. On a change of control of the Company and

Mr. Harrigan's employment is terminated in the 12 months following such change of control, as defined in Mr. Harrigan's employment agreement, the Company shall pay Mr. Harrigan a lump sum amount equal to 24 times the Harrigan Monthly Compensation. Mr. Harrigan is subject to a 12-month non-compete covenant and a 24-month non-solicitation covenant following the termination of employment. For a termination without cause at December 31, 2020, Mr. Harrigan would have been entitled to a payment of $460,500. For a termination after a change of control at December 31, 2020, Mr. Harrigan would have been entitled to a payment of $921,000. In addition, Mr. Harrigan may be entitled to a discretionary severance payment of $150,000 upon separation from the Company to be determined at the sole discretion of the Compensation Committee

Incentive Plan Awards

Long-Term Incentive Plan Awards

Long term incentive plan ("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 2020FY.

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 stock units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock. Other than the RSU Plan under which no RSUs have been issued, 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 2020FY.

Option-Based Awards – Outstanding at Year End

The following table sets forth for each NEO the number of unexercised Options held by such NEO that were outstanding at December 31, 2020 and their value on December 31, 2020 based on CDN$0.355, which was the closing trading price of the Shares on the TSXV on December 31, 2020, the last trading day of the Shares in 2020FY, and includes the exercise price, expiration date and the value of such Options at December 31, 2020:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CDN$)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN$)[1]
Peter V. Merritts	88,022	$1.40	May 17, 2021	—
	150,000	$2.30	Nov. 8, 2021	—
	175,000	$1.53	Nov. 15, 2022	—
	175,000	$0.90	Nov. 6, 2023	—
	300,000	$0.38	Nov. 5, 2024	—
Kevin M. Harrigan	76,590	$1.40	May 17, 2021	—
	175,000	$2.30	Nov. 8, 2021	—
	215,000	$1.53	Nov. 15, 2022	—
	215,000	$0.90	Nov. 6, 2023	—
	250,000	$0.38	Nov. 5, 2024	—
Frederick N. Cushmore Jr.	—	—	—	—

[1] Value of unexercised in-the-money options is calculated based on the difference between the market value of the Company's common share price at the end of the year and the exercise price of the option multiplied by the number of unexercised options regardless of vesting status.

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 2020FY on the date such options vested:

Name	Option-Based Awards Value Vested During the Year (CDN$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (US$)
Peter V. Merritts	—	$80,000
Kevin M. Harrigan	—	$120,000
Frederick N. Cushmore Jr.	—	—

Retirement Benefits

The Company offers a 401(k) plan for its United States corporate employees under the NAPP Division 401(k) plan. The 401(k) plan is provided to assist individuals in saving for retirement. The 401(k) plans for the NEOs are identical to the plans offered to employees of the NAPP Division. The NAPP Division 401(k) plan is a defined contribution plan.

Effective December 8, 2010, the NAPP Division implemented a non-standardized 401(k) plan and a personal retirement savings plan. Messrs. Merritts and Harrigan participate in the NAPP Division 401(k) plan. The NAPP Division 401(k) plan is a qualified retirement 401(k) plan administered by Principal Financial Group. The Company contributes an amount equal to 3.0% of an employee's salary and 100% of the first 3% contributed by the employee through August 2020 at which point the 3% match was suspended. 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 Principal Financial Group 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 NEOs entitled to severance payments are Messrs. Merritts and Harrigan as described under "Employment Agreements, Termination and Change of Control".

Director Compensation

Under the Company's director compensation policy, directors are entitled to receive annual retainers and committee chair and meeting fees, when applicable, paid in quarterly installments and are reimbursed for out-of-pocket expenses. Effective December 6, 2018, the annual retainer fee for a director is $15,500, the annual fee for the Chair of Audit Committee is $18,250, the annual fee for the Chair of the Compensation Committee and the Health, Safety and Environment Committee is $13,000, the annual fee for a director who is member of a Committee is $7,750, all paid in quarterly installments, and the meeting attendance fee is $1,300.

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 2020FY:

Name	Fees Earned ($)	Option-Based Awards ($)	All Other Compensation	Total ($)
John H. Craig	15,500	—	—	15,500
Alan M. De'Ath[1]	41,500	—	—	41,500
Robert Scott[2]	44,000	—	—	44,000
Ronald G. Stovash[3]	44,000	—	—	44,000
Robert C. Sturdivant[4]	—	—	—	—
Kai Xia[5]	—	—	—	—

Notes:

(1) Mr. De'Ath is Chair of the Audit Committee and a member of the Health, Safety and Environment Committee.

(2) Mr. Scott is a member of the Audit Committee, the Compensation Committee and the Health, Safety and Environment Committee.

(3) Mr. Stovash is a member of the Audit Committee, the Compensation Committee and the Health, Safety and Environment Committee.

(4) Mr. Sturdivant has waived any fees due to him as a director as he is employed by an affiliate of Quintana.

(5) Mr. Xia has waived any fees due to him as a director as he is employed by an affiliate of Quintana.

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 at December 31, 2020 and includes the exercise price, expiration date and the value thereof at December 31, 2020:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CDN$)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN$)[1]
John H. Craig	62,500	$2.30	Nov. 8, 2021	—
	75,000	$1.53	Nov. 15, 2022	—

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CDN$)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN$)[1]
	75,000	$0.90	Nov. 6, 2023	—
	100,000	$0.38	Nov. 5, 2024	—
Alan M. De'Ath	62,500	$2.30	Nov. 8, 2021	—
	75,000	$1.53	Nov. 15, 2022	—
	75,000	$0.90	Nov. 6, 2023	—
	100,000	$0.38	Nov. 5, 2024	—
Robert Scott	62,500	$2.30	Nov. 8, 2021	—
	75,000	$1.53	Nov. 15, 2022	—
	75,000	$0.90	Nov. 6, 2023	—
	100,000	$0.38	Nov. 5, 2024	—
Ronald G. Stovash	62,500	$2.30	Nov. 8, 2021	—
	75,000	$1.53	Nov. 15, 2022	—
	75,000	$0.90	Nov. 6, 2023	—
	100,000	$0.38	Nov. 5, 2024	—
Robert C. Sturdivant	Nil	N/A	N/A	N/A
Kai Xia[2]	52,146	$1.40	May 17, 2021	—
	100,000	$2.30	Nov. 8, 2021	—

Notes:

(1) Value of unexercised in-the-money Options is calculated based on the difference between the market value of the Share price as at December 31, 2020 and the exercise price of the Option multiplied by the number of unexercised Options regardless of vesting status.

(2) Mr. Xia received the stock option awards during his employment with the Company and was permitted to retain these awards as a director of the Company.

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 to purchase Shares that vested during 2020FY on the date such Options vested:

Name	Option-Based Awards Value Vested During the Year (CDN$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (CDN$)
John H. Craig	—	N/A
Alan M. De'Ath	—	N/A
Robert Scott	—	N/A
Ronald G. Stovash	—	N/A
Robert C. Sturdivant	N/A	N/A
Kai Xia	—	N/A

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2020 relating to Options to purchase Shares outstanding pursuant to the Option Plan, which is currently 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 Security holders - Stock Option Plan	5,276,884	CDN$1.09	4,199,041

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" (as defined in Form 51-102F5 – Information Circular), 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, 2020 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 2020FY was CDN$109,784. 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 2020FY.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Robert C. Sturdivant and Kai Xia, proposed directors of the Company, are employed by certain affiliates of Quintana.

John H. Craig, a proposed director of the Company, has a material relationship with Lorito Holdings S.à r.l. and Zebra Holdings & Investments S.à r.l.

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 Annual Financials and the related Management Discussion & Analysis ("MD&A"). Copies of the Company's Annual Financials and MD&A may be obtained, without charge, by writing to the Corporate Secretary of the Company, at 1576 Stoystown Road, P.O. Box 260, Friedens, Pennsylvania 15541. 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.

MATTERS TO BE RAISED AT NEXT ANNUAL MEETING

Notice of Shareholder proposals to be considered for inclusion in the Company's proxy materials for the Company's next annual meeting of Shareholders to be held during calendar year 2022 must be sent as required by and in compliance with section 137 of the CBCA to the Company no later than February 5, 2022 (the "Proposal Deadline"). Any such proposal should be sent to the Company at its registered office at 199 Bay Street, Suite 5300, Commerce Court West, Toronto, Ontario M5L 1B9. The Company is not obligated to include any shareholder proposal in its proxy materials for the annual meeting of Shareholders to be held during calendar year 2022 if the proposal is received after the Proposal Deadline.

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

DATED this 31st day of May, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Peter V. Merritts*"
Peter V. Merritts
Chief Executive Officer

SCHEDULE A
CHANGE OF AUDITOR
REPORTING PACKAGE

See following pages.

CORSA COAL CORP.
(the "Corporation")

NOTICE OF CHANGE OF AUDITOR

TO: **Urish Popeck & Co., LLC ("Urish")**

AND TO: **Coulter & Justus, P.C. ("C&J")**

NOTICE IS HEREBY GIVEN that:

(i) Urish has resigned, effective as of August 31, 2020, as auditor for the Corporation; and

(ii) C&J has been appointed as auditor of the Corporation effective as of August 31, 2020, 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 August 31, 2020;

(ii) the resignation of the former auditor was considered by the audit committee of the Corporation (the "Audit Committee") and the Board on August 27, 2020;

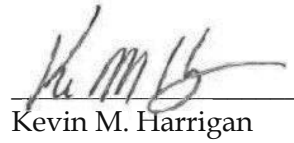
(iii) the appointment of the successor auditor was considered by the Audit Committee and approved by the Board on August 27, 2020;

(iv) there were no reservations in Urish'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 Urish'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 31st day of August, 2020

ON BEHALF OF THE BOARD OF DIRECTORS



Kevin M. Harrigan
Chief Financial Officer and
Corporate Secretary

9717 Cogdill Road
Suite 201
Knoxville, TN 37932

COULTER & JUSTUS, P.C.

phone: (865) 637-4161
fax: (865) 524-2952
web: cj-pc.com

August 31, 2020

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission

Re: Corsa Coal Corp. – Change of Auditor Notice

Dear Sirs/Mesdames:

Pursuant to Part 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*, we have reviewed the Change of Auditor Notice dated August 31, 2020 (the "**Notice**") and, based on our knowledge of such information at this time, we agree with the statements made in such Notice.

Yours very truly,

Coulter & Justus, P.C.

Certified Public Accountants
Knoxville, Tennessee

August 31, 2020

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission

Re: Corsa Coal Corp. – Change of Auditor Notice

Dear Sirs/Mesdames:

Pursuant to Part 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*, we have reviewed the Change of Auditor Notice dated August 31, 2020 (the "**Notice**") and, based on our knowledge of such information at this time, we agree with the statements made in such Notice.

Yours very truly,

Urish Popeck & Co., LLC

Urish Popeck & Co., LLC

Certified Public Accountants
Pittsburgh, Pennsylvania

SCHEDULE B
SECOND AMENDED AND RESTATED
STOCK OPTION PLAN

See following pages.

CORSA COAL CORP.
SECOND AMENDED AND RESTATED STOCK OPTION PLAN
Amended and Restated and Adopted by the Board of Directors as of June 16, 2017

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. All outstanding options issued under any prior stock option plans of the Company will be subject to the terms and conditions of the Plan.

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 "**Broker-Assisted Cashless Exercise**" has the meaning ascribed thereto in section 4.2(b).

2.5 "**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 Company, 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.

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

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

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

2.9 "**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.

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

2.11 "**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.

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

2.13 "**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.

2.14 "**Exercise Period**" has the meaning ascribed thereto in section 4.3(a).

2.15 "**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.

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

2.17 "**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.

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

2.19 "**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.

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

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

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

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

2.24 "**Net Cashless Exercise**" has the meaning ascribed thereto in section 4.2(b).

2.25 "**Net Cashless Exercise Notice**" has the meaning ascribed thereto in section 4.2(b).

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

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

2.28 "**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.

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

2.30 "**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.

2.31 "**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.

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

2.33 "**Share Reorganization**" has the meaning ascribed thereto in section 5.1.

2.34 "**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.

2.35 "**Special Distribution**" has the meaning ascribed in section 5.2.

2.36 "**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.

2.37 "**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.

2.38 "**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.

2.39 "**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

(a) 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.

(b) Notwithstanding section 4.2(a) and section 4.2(c), with the approval of the Board (which may be withheld entirely in the sole and absolute discretion of the Board) and other than where the Shares are listed on TSX Venture Exchange the and such exercise is prohibited by the policies of the TSX Venture Exchange, a Participant may elect to exercise Option(s), in whole or in part, without payment of the aggregate Option Price due on such exercise (any such exercise, a "**Net Cashless Exercise**") by providing written notice of such election to the Company (a "**Net Cashless Exercise Notice**"). Upon actual receipt by the Company of a Net Cashless Exercise Notice from a Participant, the Company shall calculate and issue to such Participant that number of Shares as is determined by application of the following formula, after deduction of any withholding obligations:

$X = [Y(A-B)]/A$

Where:

X = the aggregate number of Shares to be issued to the Participant upon such Net Cashless Exercise
Y = the aggregate number of Shares underlying the Option(s) being exercised
A = the Fair Market Value as of the date of receipt by the Company of such Net Cashless Exercise Notice, if greater than the Option Price
B = the Option Price of the Option(s) being exercised

If the number of Shares to be issued to the Participant in the event of a Net Cashless Exercise would otherwise include a fraction of a Share, the Company will pay a cash amount to such Participant equal to: (i) the fraction of a Share otherwise issuable multiplied by (ii) the Fair Market Value as of the date of the receipt by the Company of such Net Cashless Exercise Notice. Upon a Net Cashless Exercise by a Participant pursuant to this section 4.2(b), the number of Shares underlying the Option(s) being exercised shall be deemed to have been issued and counted against the maximum number of authorized but unissued Shares available for issue under this Plan.

(c) Notwithstanding section 4.2(a) and section 4.2(b), with the approval of the Board (which may be withheld entirely in the sole and absolute discretion of the Board), a Participant may elect to exercise Option(s) (any such exercise, a "**Broker-Assisted Cashless Exercise**"), in whole or in part, by providing (i) irrevocable instructions to the Company to deliver the aggregate number of Shares to be issued to the Participant upon such Broker-Assisted Cashless Exercise promptly to a broker (acceptable to the Company) for the Participant's account, and (ii) irrevocable instructions to the broker to sell the Shares sufficient to pay the aggregate Option Price of the Option(s) being exercised (plus any amount required for any withholding obligations) and upon such sale to deliver the Option Price of the Option(s) being exercised (plus any amount required for any withholding obligations) to the Company.

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 subsection (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 subsection (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) above.

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 or Certified Public

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 sections 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 subsection (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 the Company 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 June 16, 2017.

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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 ●, 20● [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 ●, 20● (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 ●, 20● (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 ●, 20●.

CORSA COAL CORP.

Signature	Per: Authorized Signatory
Print Name	
Address	

SCHEDULE C
AUDIT COMMITTEE CHARTER

See following pages

CORSA COAL CORP.
AUDIT COMMITTEE MANDATE

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Corsa Coal Corp. ("**Corsa**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Corsa; and
- external and internal audit processes.

2.0 Composition and Membership

(a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Corsa or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which Corsa's securities are listed, including National Instrument 52-110 - Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

(c) The Board will appoint one of the Members to act as the chairman of the Committee (the "**Chairman**"). The secretary of Corsa (the "**Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting.

3.0 Meetings

(a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) At the request of the external auditors of Corsa, the Chief Executive Officer or the Chief Financial Officer of Corsa or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

(c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chairman of the meeting.

(d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.

(f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Corsa to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 ***Financial Reporting and Disclosure***

(a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

(b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

(c) review with management of Corsa, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Corsa's financial position and the results of its operations in accordance with IFRS, as applicable; and

(d) seek to ensure that adequate procedures are in place for the review of Corsa's public disclosure of financial information extracted or derived from Corsa's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

4.2 ***Internal Controls and Audit***

(a) review the adequacy and effectiveness of Corsa's system of internal control and management information systems through discussions with management and the external auditor to ensure that Corsa maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Corsa's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of Corsa at any particular time;

(b) satisfy itself that management has established adequate procedures for the review of Corsa's disclosure of financial information extracted or derived directly from Corsa's financial statements;

(c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

(d) review and discuss Corsa's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

(e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Corsa's risk management policies and procedures with regard to identification of Corsa's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Corsa;

(f) recommend the appointment, or if necessary, the dismissal of the head of Corsa's internal audit process;

4.3 ***External Audit***

(a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of Corsa;

(b) ensure the external auditors report directly to the Committee on a regular basis;

(c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

(d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;

(e) review the audit plan of the external auditors prior to the commencement of the audit;

(f) establish and maintain a direct line of communication with Corsa's external and internal auditors;

(g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present;

(h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;

(i) oversee the work of the external auditors appointed by the shareholders of Corsa with respect to preparing and issuing an audit report or performing other audit, review or attest services for Corsa, including the resolution of issues between management of Corsa and the external auditors regarding financial disclosure;

(j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Corsa, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

(k) discuss with the external auditors their perception of Corsa's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

(l) discuss with the external auditors their perception of Corsa's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;

(m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;

(n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues;

4.4 ***Associated Responsibilities***

(a) if applicable, monitor and periodically review associated procedures for:

i. the receipt, retention and treatment of complaints received by Corsa regarding accounting, internal accounting controls or auditing matters;

ii. the confidential, anonymous submission by directors, officers and employees of Corsa of concerns regarding questionable accounting or auditing matters;

iii. any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure; and

(b) if applicable, review and approve Corsa's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of Corsa; and

4.5 ***Non-Audit Services***

(a) pre-approve all non-audit services to be provided to Corsa or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members

the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Corsa's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Corsa, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Corsa's financial information or public disclosure.

6.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Corsa that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Corsa's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

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