Royal Coal Corp.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Royal Coal Corp. (the "Company") for the year ended December 31, 2016 and December 31, 2017 and should be read in conjunction with the respective audited financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of March 17, 2020.

All dollar amounts are stated in United States dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements
This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company
The Company is a public company and a reporting issuer in Ontario, British Columbia, Alberta and Manitoba. Pursuant to a cease trade order issued by the Ontario Securities Commission on May 15, 2012 ("Cease Trade Order"), trading in the common shares of the Company under the symbol "RDA" on the TSX Venture Exchange was ceased as a result of the Company's failure to meet its continuous disclosure obligations under National Instrument 51-102, *Continuous Disclosure Obligations*.

On March 17, 2020, the Company brought its continuous disclosure obligations current with the filing of its annual financial statements, MD&A and certifications of annual filings for the years ended December 31, 2016, December 31, 2017 and December 31, 2018 and interim financial statements, MD&A and certifications of interim filings for the 3 months ended March 31, 2019, 6 months ended June 30, 2019 and 9 months ended September 30, 2019.

The Company is in the process of applying for full revocation of the Cease Trade Order ("Revocation Order"). Subject to receipt of the Revocation Order, the Company intends to complete a private placement of common shares and to hold an annual and special meeting of shareholders within 3 months from the date of the receipt of the Revocation Order.

Overall Performance
The Company was engaged in mineral exploration and mining of coal properties in the state of Kentucky in the United States until 2012 when it ceased operations.

The Company is currently engaged in efforts to identify, evaluate and complete a business acquisition, subject to the receipt of regulatory and shareholder approval.

Risks and Uncertainties

Business risk
The Company has no operations and there is no assurance that the Company will complete a business acquisition.

Financing risk
Financing will be required to enable the Company to finance efforts to identify, evaluate and complete a business acquisition, meet its existing obligations and fund its operations. The ability of the Company to obtain financing is subject to the receipt of the Revocation Order. There is no assurance that the Company will be able to obtain financing on acceptable terms.

Going-concern
As at September 30, 2019, the Company had no cash and a working capital deficit of $26,100 (2017 - $11,000; 2016 - $5,500). The lack of working capital limits the Company's ability to identify, evaluate and complete a business acquisition, meet its existing obligations and fund its operations. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The continued operation of the Company is dependent upon the Company's ability to secure equity financing to identify, evaluate and complete a business acquisition, meet its existing obligations and fund its operations. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

Annual Summary Information

	Years ended December 31 2017 $	2016 $	2015 $	2014 $
Total revenues	–	–	–	–
Loss	5,500	5,500	–	–
Loss per share - basic and diluted	–	–	–	–
Total assets	–	–	–	–
Total long-term liabilities	–	–	–	–
Cash dividends declared per common share	–	–	–	–

Results of Operations
For the years ended December 31, 2016 and December 31, 2017, the Company incurred a loss of $5,500 representing professional fees to complete the audit of its financial statements.

Summary of Quarterly Results

	Q1 2015 $	Q2 2015 $	Q3 2015 $	Q4 2015 $	Q1 2016 $	Q2 2016 $	Q3 2016 $	Q4 2016 $
Revenue	–	–	–	–	–	–	–	–
Loss								
- Total	–	–	–	–	–	–	–	5,500
- Per share	–	–	–	–	–	–	–	–

	Q1 2017 $	Q2 2017 $	Q3 2017 $	Q4 2017 $
Revenue	–	–	–	–
Loss				
- Total	–	–	–	5,500
- Per share	–	–	–	–

Liquidity and Capital Resources
As at September 30, 2019, the Company had a working capital deficit of $26,100 (2017 - $11,000; 2016 - $5,500). The lack of working capital limits the Company's ability to identify, evaluate and complete a business acquisition, meet its existing obligations and fund its operations. As a result, there is significant doubt about the Company's ability to continue as a going concern

Financing will be required to enable the Company to finance its efforts to identify, evaluate and complete a business acquisition, meet its existing obligations and fund its operations. Subject to the receipt of the Revocation Order, the Company intends to complete a private placement of common shares. There is no assurance that the Company will be able to obtain financing on acceptable terms.

Critical Accounting Estimates
The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Going concern
The Company applied judgment in assessing its ability to continue as a going concern for at least 12 months.

Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The Company has applied judgment to determine the carryforward tax losses that are subject to assessment and review by the Canada Revenue Agency.

Change in accounting standards
IAS 1, Presentation of Financial Statements
On January 1, 2016, the Company adopted *IAS 1, Presentation of Financial Statements* which was designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The adoption of this amendment had no effect on the Company's financial statements.

New standards and interpretations not yet adopted
The following new standard will be effective for periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments ("IFRS 9)
This standard will replace *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules In IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortized cost unless the fair value option is applied.

The following new standard will be effective for periods beginning on or after January 1, 2019:

IFRS 16, Leases ("IFRS 16")
This standard will replace *IAS 17, Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17.

As the Company is not a party to any leases, the Company has determined that the adoption of IFRS 16 will have no effect on its financial statements.

Financial Instruments and Other Instruments
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Accounts payable and accrued liabilities
The fair value of accounts payable and accrued liabilities approximated their carrying value due to the short term to maturity.

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:
Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data

The Company had no assets or liabilities classified as Level 1.

Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its operations and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. As the Company has no financial assets, the Company has no exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. The continued operation of the Company is dependent upon the Company's ability to secure equity to identify, evaluate and acquire assets, properties or businesses, meet its existing obligations and fund its operations

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments. As the Company has no financial instruments subject to changes in market prices, the Company has no exposure to market risk.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is inactive and has no revenues, its principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Shares Outstanding as at March 17, 2020

Authorized:

An unlimited number of special shares issuable in series.
An unlimited number of common shares.

Outstanding:

256,740,671common shares.