

ROYAL COAL CORP.
100 King Street West, Suite 5600
Toronto, Ontario M5X 1C9

MANAGEMENT INFORMATION CIRCULAR
As at September 18, 2020

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ROYAL COAL CORP. (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Thursday, October 22, 2020 at the office of Irwin Lowy LLP at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the “**Meeting**”) for the purposes set out in the accompanying notice of meeting (the “**Notice**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice, this management information circular (“**Circular**”), and other meeting materials, if applicable (collectively the “**Meeting Materials**”) to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein.

APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company’s registrar and transfer agent as a registered holder of Common Shares (each a “**Registered Shareholder**”) may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder’s behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company’s transfer agent and registrar, AST Trust Company (Canada) (the “**Transfer Agent**”), not later than 10:00 a.m. (Eastern time) on Tuesday, October 20, 2020 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

By Mail:	AST Trust Company (Canada) Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1
Facsimile:	1-866-781-3111 (toll free) or (416) 368-2502 (within the 416 area code)
By Email:	English: proxyvote@astfinancial.com French: voteprocuration@astfinancial.com

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Company, located at 100 King Street West, Suite 5600, P.O. Box 270, Toronto, Ontario M5X 1C9, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Transfer Agent as a registered holder of Common Shares (each a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each a “**Clearing Agency**”) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

Voting Instruction Form. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a “**VIF**”). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of

proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of special shares, issuable in series. As of September 17, 2020 (the "**Record Date**"), there were a total of 256,740,671 Common Shares issued and outstanding and no special shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended December 31, 2017, 2018 and 2019 and the reports of the auditor will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at www.sedar.com.

2. NUMBER OF DIRECTORS

The *Business Corporations Act* (Ontario) provides that where a minimum and maximum number of directors of a corporation is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders shall be such number as shall be determined from time to time by special resolution of the shareholders. Alternatively, if the shareholders empower the directors by special resolution to determine the number of directors, the number of directors shall be such number within the minimum and maximum number of directors set out in the articles of a corporation as determined by resolution of the directors. If no such resolutions are passed, the number of directors shall be the number of directors named in the articles of the corporation.

The articles of continuance of the Company (the "**Articles**") provide that the minimum number of directors of the Company be one and the maximum number of directors of the Company be 10. At the Meeting, shareholders are being asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice (the "**Number of Directors Resolution**"), to determine the number of directors

of the Company and the number of directors to be elected at the Meeting to be five and to empower the directors of the Company, by resolution of the directors, to determine the number of directors within the minimum and maximum number of directors set out in the Articles.

Empowering the directors to determine the number of directors within the minimum and maximum range will permit management of the Company and the Board to offer seats on the Board to qualified and interested individuals without the delay and expense of seeking shareholder approval to an increase in the size of the Board or alternatively without requesting an incumbent director to resign in order to create a vacancy.

In order to pass the Number of Directors Resolution, at least two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Number of Directors Resolution. If the Number of Directors Resolution does not receive the requisite shareholder approval, the number of directors of the Corporation will be four until otherwise determined in accordance with the provisions of the *Business Corporations Act* (Ontario).

The Board recommends that shareholders vote in favour of the Number of Directors Resolution as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE NUMBER OF DIRECTORS RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

3. ELECTION OF DIRECTORS

The Board currently consists of four directors. At the Meeting, shareholders are being asked to determine the number of directors of the Company and the number of directors to be elected at the Meeting to be five. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by them as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Common Shares owned or controlled
Arthur Thomas Griffis ⁽³⁾ President and Director Ontario, Canada	Chairman and Chief Executive Officer of Griffis International Limited, a private investment and corporate management company	August 10, 2010	2,389,347 ⁽⁴⁾	0.93%
Elia Crespo ⁽²⁾ Director Ontario, Canada	Director of Griffis International Limited, a private investment and corporate management company	January 2, 2013	1,448,958 ⁽⁵⁾	0.56%
Chris Irwin ⁽²⁾⁽³⁾ Director Ontario, Canada	Partner of Irwin Lowy LLP, a law firm	May 7, 2020	nil	n/a
Michael Campbell ⁽²⁾ Director Ontario, Canada	Principal of Newgrange Professional, a law firm	June 15, 2020	345,824	0.13%
Jennifer Thor Proposed Director Ontario, Canada	Corporate and Securities Law Clerk at Irwin Lowy LLP, a law firm	Proposed	nil	n/a

Notes:

(1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.

- (2) *Member of the Audit Committee.*
- (3) *Member of the Compensation Committee.*
- (4) *1,714,983 held by Griffis Capital Inc., a corporation controlled by Mr. Griffis.*
- (5) *1,042,263 held by ERC Investment Limited, a corporation controlled by Ms. Crespo.*
- (6) *The principal occupations of Ms. Crespo, Mr. Irwin, Mr. Campbell and Ms. Thor, the director nominees who were not previously elected by the shareholders of the Company, during the past five years are as follows:*

- *Ms. Crespo is a Director of Griffis International Limited since 1986. Ms. Crespo holds a degree in law from the University of Madrid (Complutense). Ms. Crespo has acted as Vice President of Finance and Chief Financial Officer of several private companies. In addition, she is a director of several private and public companies.*
- *Mr. Irwin practices securities and corporate/commercial law and is the managing partner of Irwin Lowy LLP focused on securities and corporate/commercial law. Mr. Irwin represents several public companies on a variety of matters including continuous disclosure and regulatory matters, reverse takeover transactions, initial public offerings and takeover bids. Mr. Irwin is also an officer and/or director of several public companies. Mr. Irwin is a graduate of Bishop's University (B.A., 1990), the University of New Brunswick (Bachelor of Laws, 1994) and Osgoode Hall Law School (Masters of Laws, 2009). Mr. Irwin was called to the Bar of Ontario in 1996.*
- *Mr. Campbell is Principal of Newgrange Professional since 2007. Prior thereto, Mr. Campbell was a lawyer and Partner at McMillian LLP from 2002 to 2007. Mr. Campbell has been a director and/or officer of several public companies.*
- *Ms. Thor is a Corporate and Securities Law Clerk with Irwin Lowy LLP since May 2020. Prior thereto, Ms. Thor was a Senior Law Clerk at a prominent Canadian public company from January 2018 to May 2020 and Law Clerk at Irwin Lowy LLP from August 2011 to January 2018. Ms. Thor is Chief Executive Officer of Interactive Capital Partners Corporation and has served as a director of several junior mining companies.*

The term of office of each director will be from the date of the annual meeting of the shareholders of the Company at which he or she is elected until the next annual meeting of the shareholders of the Company, or until his or her successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, no proposed director of the Company, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an “**Order**”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Arthur Thomas Griffis

Mr. Griffis was a director of Cogient Corp. (“**Cogient**”), which is subject to a cease trade order resulting from failure to file financial statements as issued by the Ontario Securities Commission (“**OSC**”) on August 22, 2006. A court appointed receiver was appointed for Cogient on December 8, 2006. As of the date of this Circular, the cease trade order has not been revoked or rescinded.

Mr. Griffis was a director of Kazakstan Goldfields Corporation, which is subject to a cease trade order issued by the OSC on October 6, 1999. As of the date of this Circular, the cease trade order has not been revoked or rescinded.

Mr. Griffis is a director and officer of the Company, which was subject to cease trade orders resulting from failure to file financial statements as issued by the OSC on May 15, 2012, by the Alberta Securities Commission (“**ASC**”) on August 12, 2012, by the British Columbia Securities Commission (“**BCSC**”) on May 9, 2012, by the Manitoba Securities Commission (“**MSC**”) on July 9, 2012. These cease trade orders were revoked on July 27, 2020 by the OSC, ASC, BCSC and MSC.

Elia Crespo

Ms. Crespo was a director and officer of Cogient, which is subject to a cease trade order resulting from failure to file financial statements as issued by the OSC on August 22, 2006. A court appointed receiver was appointed for Cogient on December 8, 2006. As of the date of this Circular, the cease trade order has not been revoked or rescinded.

Ms. Crespo was a director of Kazakstan Goldfields Corporation, which is subject to a cease trade order issued by the OSC on October 6, 1999. As of the date of this Circular, the cease trade order has not been revoked or rescinded.

Ms. Crespo is a director and former officer of the Company, which was subject to cease trade orders resulting from failure to file financial statements as issued by the OSC on May 15, 2012, by the ASC on August 12, 2012, by the BCSC on May 9, 2012, by the MSC on July 9, 2012. These cease trade orders were revoked on July 27, 2020 by the OSC, ASC, BCSC and MSC.

Chris Irwin

Mr. Irwin was a director, President and Secretary of Brighter Minds Media Inc. (“**Brighter Minds**”) from March 2009 to July 2014. Brighter Minds is subject to cease trade orders resulting from a failure to file financial statements as issued on May 11, 2009 by the BCSC, May 13, 2009 by the MSC, May 8, 2009 and May 20, 2009 by the OSC and August 19, 2009 by the ASC. As of the date of this Circular, the cease trade orders have not been revoked or rescinded.

Mr. Irwin was a director from June 2015 to December 2017 and an officer from September 2015 to April 2016 of Blocplay Entertainment Inc. (formerly Stompy Bot Corporation) (“**Blocplay**”), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 by the BCSC and May 4, 2016 and May 16, 2016 by the OSC. These cease trade orders were revoked on July 5, 2016 by the BCSC and July 6, 2016 by the OSC. Blocplay was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 by the BCSC and May 4, 2017 by the OSC. These cease trade orders were revoked on July 5, 2017 by the BCSC and July 6, 2017 by the OSC.

Mr. Irwin was appointed as the President, Chief Executive President, Secretary and a director of Blocplay on September 28, 2018. Blocplay was subject to a management cease trade order resulting from a failure to file financial statements as issued on December 3, 2018 and amended on December 4, 2018 by the BCSC and December 4, 2018 by the OSC. These cease trade orders were revoked on February 6, 2019.

Mr. Irwin is a director and an officer of Intercontinental Gold and Metals Ltd. (“**Intercontinental**”) which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the BCSC on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin is a director and an officer of Intercontinental which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2018 by the BCSC. Intercontinental was subject to a cease trade order from a failure to file financial statements as issued on October 5, 2018 by the BCSC. These cease trade orders were revoked on October 9, 2018.

Other than as set out below, no proposed director of the Company, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Messrs. Campbell and Griffis were directors and Ms. Crespo was a director and officer of Ghana Gold Corporation, which entered into a court-approved creditor protection proceeding in the Province of Ontario under the *Companies Creditors Arrangement Act* in May 2013.

Personal Bankruptcies

None of the proposed directors of the Company have, within the 10 years before the date of this Circular, 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 such person.

Penalties and Sanctions

None of the proposed directors of the Company have 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 been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. APPOINTMENT OF AUDITOR

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF RSM CANADA LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. RSM Canada LLP, Chartered Professional Accountants (formerly Collins Barrow Toronto LLP) were first appointed as the auditors of the Company on August 12, 2010.

5. AMENDMENT TO ARTICLES OF CONTINUANCE – NAME CHANGE

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice of Meeting (the “**Name Change Resolution**”), which would authorize the Company to amend of the articles of continuance to change its name to such name as the Board, in its sole discretion, may determine and as may be acceptable to the Director appointed under the *Business Corporation Act* (Ontario) (the “**Name Change**”).

The Company believes that the Name Change is in the best interests of the Company in order to reflect contemplated changes in the business activities of the Company.

In order to pass the Name Change Resolution, at least two thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Name Change Resolution. If the Name Change Resolution does not receive the requisite shareholder approval, the Company will continue under its present name.

The Board recommends that shareholders vote in favour of the Name Change Resolution to approve the Name Change as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE NAME CHANGE RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

6. AMENDMENT TO ARTICLES OF CONTINUANCE - CONSOLIDATION

At the Meeting, shareholders are being asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice (the “**Consolidation Resolution**”), which would authorize the Company to effect a consolidation of all of the issued and outstanding Common Shares on the basis of up to six hundred (600) pre-consolidation Common Shares, or such lesser number of pre-consolidation Common Shares as the directors of the Company in their discretion may determine, for one (1) post-consolidation Common Share (the “**Consolidation**”). Any fractional Common Shares arising from the Consolidation will be rounded down or up to the nearest whole Common Share, with 0.5 of a Common Share being rounded up. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

The Company believes that the Consolidation will both enhance the marketability of the Company as an investment and better position the Company to raise the funds necessary for the continued development of its business and the growth of the Company.

The Board may determine not to implement the Consolidation after the Meeting and after receipt of necessary shareholder and regulatory approvals, but prior to the issue of a certificate of amendment under the *Business Corporation Act* (Ontario), without further action on the part of the shareholders.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass as a special resolution, with or without variation, the Consolidation Resolution, the text of which is attached as Exhibit A to the Notice, to effect the consolidation of all of the issued and outstanding Common Shares on the basis of up to six hundred (600) old Common Shares for one (1) new Common Share.

In order to pass, the Consolidation Resolution must be approved by at least two thirds of the votes cast by the shareholders, present at the Meeting in person or represented by proxy. If the Consolidation Resolution does not receive the requisite shareholder approval, the Company will continue with its present share capital.

The Board recommends that shareholders vote in favour of the Consolidation Resolution to approve the Consolidation as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE CONSOLIDATION RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE CONSOLIDATION RESOLUTION.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of (a) the Chief Executive Officer, (b) the Chief Financial Officer, (c) the most highly compensated executive officer of the Company at the end of the most recently completed financial year of the Company whose total compensation was more than \$150,000, and (d) each individual who would be a fit the description under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company and was not acting in a similar capacity, at the end of that financial year (collectively the “**Named Executive Officers**”) and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company. The following table does not disclose any information regarding Mr. Miles Nagamatsu, the Chief Financial Officer of the Company, Mr. Chris Irwin, a director of the Company and Mr. Michael Campbell, a director of the Company, as each of them was appointed to his position with the Company after the financial year of the Company ended December 31, 2019.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Arthur Thomas Griffis President and Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
Elia Crespo ⁽²⁾ Former Corporate Secretary and Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil

Notes:

(1) This table does not include any amount paid as reimbursement for expenses.

(2) Ms. Crespo resigned as Corporate Secretary of the Company on June 29, 2020 and Ms. Carly Burk was appointed in her stead.

Stock Options and Other Compensation Securities

No compensation securities were granted to any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company. There are no stock options issued under the stock option plan (the “**Stock Option Plan**”).

None of the Named Executive Officers or directors of the Company exercised any compensation securities during the most recently completed financial year of the Company.

Stock Option Plan and other Incentive Plans

The Company has in place the Stock Option Plan which was last approved by the shareholders at the last annual and special meeting of the shareholders of the Company held on August 24, 2011.

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan. The purpose of the Stock Option Plan is to, among other things, encourage common share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of Common Shares which may be reserved for issue under the Stock Option Plan is limited to 25,674,067 Common Shares.

Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares at the time of grant. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company’s capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Company does not have any employment, consulting and/or management agreements in place.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Company has established a compensation committee (the “**Compensation Committee**”) of the Board and it consists of Arthur Thomas Griffis and Chris Irwin (independent). The Compensation Committee, on behalf of the Board, monitors compensation of the executive officers of the Company. The Compensation Committee is responsible for the development and supervision of the Company’s approach to compensation for directors, officers and senior management as well as bonuses and any increases in compensation to employees or staff that would have a material impact on the Company’s expenses.

The Compensation Committee, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company receives fees in the amount of \$8,000 a year. Each director of the Company may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company were compensated by the Company or its subsidiaries during the two most recently completed financial years for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual’s compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company’s executive compensation are base salary and stock options. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company’s executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company’s long term value; and
5. connect, if possible, the Company’s employees into principles 1 through 4 above.

Management has direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Company. The Chief Executive Officer makes recommendations to the Board regarding the amount and type of compensation awards for other members of executive management. The Chief Executive Officer does not engage in discussions with the Board regarding his own compensation.

The Board, at the recommendation of the Compensation Committee, approves, or recommends for approval, all compensation to be awarded to the Named Executive Officers within the constraints of the agreements described under the heading “*Employment, Consulting and Management Agreements*”. The Compensation Committee also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan.

The Board may direct the Compensation Committee and management to gather information on its behalf and provide initial analysis and commentary. The Board reviews this material along with other information received from any external advisors which may be retained in its deliberations before considering or making decisions. The Board has full discretion to adopt or alter management recommendations.

Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the individual relative to such factors. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus, however the Company is not currently awarding any such annual incentives. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value so the Company may, in its discretion, award such incentives in the future in order to motivate executives to achieve short-term corporate goals. The Compensation Committee approves annual incentives.

The success of the Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective position and contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. Annual incentive compensation is tied to corporate and individual performance. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

Termination and Change of Control Benefits

The Company has not provided compensation, monetary or otherwise, during the two preceding fiscal years, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. Except as set forth under the heading “*Employment, Consulting and Management Agreements*”, the Company is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Company resulting from the resignation, retirement or the termination of employment of such person.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2019:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issue under equity compensation plans (#)
Equity compensation plans approved by securityholders	nil	n/a	25,674,067
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	nil	n/a	25,674,067

Notes:

- (1) *The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the number of outstanding Common Shares at the time of the stock option grant. As at the date of this Circular, 25,674,067 stock options are reserved for issue and remain available for future issue under the Stock Option Plan.*

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed in this Circular, no informed person or proposed director of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the most recently completed financial year of the Company or in any proposed transaction which has materially affected or would materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting. The Company is a “venture issuer” for the purposes of NI 52-110.

Audit Committee

The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. The Audit Committee also assists the Board in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors. The Audit committee is also responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix A (the "**Audit Committee Charter**").

Composition of the Audit Committee

The Audit Committee members are Elia Crespo, Chris Irwin and Michael Campbell, each of whom is a director and financially literate. Each of the members of the Audit Committee is independent in accordance with NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Elia Crespo, Director: Ms. Crespo holds a degree in law, and has acted as Vice President of Finance and Chief Financial Officer of several private companies. In addition, she is a director of several private and public companies.

Chris Irwin, Director: Mr. Irwin is a partner in the Toronto law firm of Irwin Lowy LLP focused on securities and corporate/commercial law. He advises a number of public companies on a variety of matters including continuous disclosure and regulatory matters, reverse takeover transactions, initial public offerings and takeover bids. Mr. Irwin is also a director and officer of several public companies.

Michael Campbell, Director: Mr. Campbell is a solution-oriented executive and legal advisor. His specialties include corporate finance, M&A, operations, corporate development and business strategy. Since 2007 at Griffis Capital, Mr. Campbell has been involved in the management of early stage companies. Prior to joining Griffis Capital, Mr. Campbell was a partner at McMillan LLP, a leading Canadian law firm, where he specialized in corporate finance, M&A, on- and off-shore investment funds, natural resources, technology and telecom. Mr. Campbell's practice had a particular emphasis on public and private corporate finance and M&A transactions. He also assisted public and private companies, investment funds and registrants with securities compliance and general corporate and commercial matters.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2019 and December 31, 2018:

	Audit Fees (\$)⁽¹⁾	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2019	5,500	nil	nil	nil
Year ended December 31, 2018	7,000	nil	nil	nil

Notes:

(1) The audit fees were payable in U.S. dollars.

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

REPORT ON CORPORATE GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance 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. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

Board of Directors

The Board is currently composed of four directors. At the Meeting, shareholders are being asked to determine the number of directors of the Company and the number of directors to be elected at the Meeting to be five. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* (“**Form 58-101F2**”) requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a “material relationship” with the issuer. Accordingly, of the proposed nominees, Mr. Griffis, the President of the Company, is considered not to be “independent”. The remaining four proposed directors are considered by the Board to be “independent” within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Chris Irwin	American Aires Inc., Bloeplay Entertainment Inc., Deveron UAS Corp., Drone Delivery Canada Corp., Greencastle Resources Ltd., Hornby Bay Mineral Exploration Ltd., Intercontinental Gold and Metals Ltd., Minnova Corp., The Valens Company Inc., Roscan Minerals Corporation and Wolf's Den Capital Corp.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by Board members and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. The Board has recently established and appointed a Compensation Committee. Prior to standing for election, new nominees to the Board of directors are reviewed by such committee and the entire Board.

Other Board Committees

The Board has established an Audit Committee and a Compensation Committee.

Audit Committee

The operation of the Audit Committee is described in the section entitled "*Audit Committee Information Required in The Information Circular of a Venture Issuer*" in this Circular.

Compensation Committee

The Compensation Committee members are Arthur Thomas Griffis and Chris Irwin. Mr. Each proposed member of the Compensation Committee is a director. Mr. Irwin is "independent" in accordance with NI 52-110, while Mr. Griffis, the President of the Company, is not considered to be "independent" in accordance with NI 52-110. The Compensation Committee is responsible for the development and supervision of the Company's approach to compensation for directors, officers and senior management as well as bonuses and any increases in compensation to employees or staff that would have a material impact on the Company's expenses.

Assessments

Currently the Board has not implemented a formal process for assessing directors.

OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying instrument of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at its office by mail at 100 King Street West, Suite 5600, P.O. Box 270, Toronto, Ontario M5X 1C9 to request copies of: (i) this Circular; and (ii) the Company's financial statements and the related management's discussion and analysis ("MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's consolidated financial statements and MD&A for its financial years ended December 31, 2017, 2018 and 2019.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Toronto, Ontario this 18th day of September, 2020.

BY ORDER OF THE BOARD

"Arthur Thomas Griffis" (signed)
President and Director

APPENDIX A

ROYAL COAL CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

- 1.1 Assist the Board of Directors in its oversight role with respect to:
 - (a) the quality and integrity of financial information;
 - (b) the independent auditor's performance, qualifications and independence;
 - (c) the performance of the Company's internal audit function, if applicable; and
 - (d) the Company's compliance with legal and regulatory requirements; and
- 1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Company in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors. Each of the members of the Audit Committee shall satisfy any applicable independence and experience requirements of the laws governing the Company, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.

- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Company to be included in the Company's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Company's annual and quarterly disclosures made in management's discussion and analysis,
 - approve any reports for inclusion in the Company's Annual Report, if any, as required by applicable legislation,
 - the Company's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements,
 - any significant changes in the Company's selection or application of accounting principles,
 - any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Company's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Company in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Company.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Company or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.