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 9 months ended September 30, 2022 and should be read in conjunction with the condensed interim financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of November 29, 2022.

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.

On September 26, 2022, A. Thomas Griffis resigned as Chief Executive Officer and director and Elia Crespo resigned as director and Nicholas Konkin was appointed as Chief Executive Officer and director.

Directors and officers of the Company are as follows: Nicholas Konkin, Chief Executive Officer and Director; Chris Irwin, Director; Michael Campbell, Director; Jennifer Thor, Director; Miles Nagamatsu, Chief Financial Officer and Carly Burk, Corporate Secretary. The management information circular for an annual and special meeting of shareholders on December 5, 2022 names the following persons nominated by management for election as directors: Nicholas Konkin, Chris Irwin, Dino Titaro and Rob Montemarano. Michael Campbell and Jennifer Thor will not be standing for re-election.

Overall Performance

Private placement of common shares
On September 15, 2022, the Company completed a private placement of 9,900,000 common shares at a price of$0.05 per common share for gross proceeds of $495,000. In connection with the private placement, the Company paid a commission of $40,500.

Option agreement
On September 26, 2022, the Company was granted an option to acquire a 100% interest in Poissons Blanc, a nickel-copper-cobalt property comprised of 32 mineral claims covering approximately 1,792 hectares in the Saguenay Mining district in the Province of Quebec.

In order to complete the acquisition of Poissons Blanc, the Company must make option payments, issue common shares and incur exploration expenditures, as follows:

	Option payments		Common shares		Exploration
			Number	Fair value	expenditures
	US$	C$		C$	US$
July 29, 2022 (paid and issued)	12,600	58,000	1,250,000	62,500	–
April 15, 2023	25,000	50,000	1,250,000	–	400,000
April 15, 2024	25,000	50,000	1,250,000	–	400,000
April 15, 2025	500,000	500,000 (note)	1,250,000	–	400,000
	562,600	658,000	5,000,000	62,500	1,200,000

Note: The Company has the option to pay the C$500,000 by issuing common shares based on the 20-day weighted average trading price per common share.

Upon completion of the Option, the Company will grant a 5% net smelter royalty ("NSR"). The Company will have the option to reduce the NSR to 2.5% by making a payment of $2,000,000 within 3 years from the date of issuance of the NSR.

Historical work
The following outlines the historical work on Poisson Blanc:

- Regional mapping of the paragneiss to the south of the property was performed by the Quebec Ministry of Natural Resources ("Ministry") in and the mapping of the Riviere aux rats area, encompassing the Poissons Blanc property area, by the Ministry (Rondot, 1963).

- An airborne magnetometer and electromagnetic survey with 100m spacing has been performed by Aerodat Limited in the spring of 1989. This survey outlined a series of north to north-northeast trending coincident magnetic and electromagnetic anomalies (de Carle, 1989). A reconnaissance geological mapping of the property has been done for McNickel Inc. (Mandziuk, 1989)

- Then, McNickel Inc. (Mountain and McAdam, 1989) covered the property with ground geophysics surveys including magnetometer, VLF-EM and MaxMin1 on a cut grid totaling 170 km. They performed a geological mapping and sampling at 1:1250 scale on 25m spaced cut lines for a total distance of 53-line km. Starting in July 1989, 156 diamond drill were advanced, totaling 15,942m which tested a strike length of 2.45 km and maximum depth of 300m. In total 6,700 samples were taken and analyzed for Ni, Cu, Co, Fe, Mn, Pb, Zn, Mo, Pt, Pd and Au.

- A detailed study of the Poissons Blanc deposit was carried out by the Quebec Ministry of Natural Resources in 1998 which defined the relationship between the mafic lithologic units and the sulphide mineralization (Clark and Hebert, 1998).

- A 2011 campaign initiated by 9157-2222 Quebec Inc. focused on the geological mapping of the Main zone, locating of the historical drill holes on the McNickel deposit and obtaining samples from the discovery site for a preliminary analysis which would ultimately determine the viability for the nickel bearing material to be extracted using the bio-leach methodology.

- In 2012, 9157-2222 Quebec Inc. requested RPC Science & Engineering ("RPC") to carry out initial scoping metallurgical testing inclusive of mineralogy, bulk flotation, acid leaching and magnetic separation tests on their magmatic sulphide nickel deposit just north of Lac St. Jean in southern Quebec.

- In 2013, RPC carried out bioleach amenability test work on McNickel ore. Column testing was conducted following the agitated leach test.

- In 2022, a Deposit Bacterial Leaching and Downstream Processing Scoping Study as a follow up study to the previous metallurgical studies was planned by 9157-2222 Quebec Inc. No further metallurgical work has been undertaken on the property.

Recommended work program
To carry out the recommended work program, the following budget is proposed:

Drilling 1600 metres (direct costs)	249,900
Program Supervision	14,000
Program Geologist	9,500
Program Technician	6,800
Lodging	12,700
Transportation	7,200
Assaying of 800 samples at $25/sample	20,000
Sample Processing (trays, shipping, etc.)	3,500
Standards	2,000
Data Compilation (historic and recent)	10,000
Sub-total	335,600
Contingency	33,560
Total proposed budget	369,160

Settlement of default judgment payable
On September 26, 2022, the Company entered into a settlement agreement ("Settlement Agreement") to settle the default judgment payable of $39,235,451. In exchange for release of the default judgment payable (“Release”), the Company agreed to issue of 7,004,485 common shares, with 5,900,000 common shares with a fair value of $295,000 (recorded as non-refundable default judgment payment on the consolidated statement of financial position) issued on execution of the Settlement Agreement and 1,104,485 common shares to be issued upon completion of a financing. The Release shall only be effective and binding upon delivery of the total 7,004,485 common shares.

Risks and Uncertainties

Going-concern
The Company is a mineral exploration company does not generate revenue. As September 30, 2022, the Company had a working capital deficit of $38,582,800 (December 31, 2021 - $33,311,870) and for the 9 months ended September 30, 2022, the Company incurred a loss of $4,793,254 (2021 - $2,669,595) and a cashflow deficit from operations of $149,597 (2021 - $48,734). The working capital deficit, losses and cashflow deficit from operations limit the Company’s ability to fund its operations and the acquisition, exploration and development of its mineral properties.

The continued operation of the Company is dependent upon the Company’s ability to settle its outstanding liabilities including the default judgment payable and secure equity financing to fund its operations and the acquisition, exploration and development of its mineral properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

Exploration
The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company’s control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain licences and permits.

Results of Operations

	3 months ended June 30,		**6 months ended June 30,**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Expenses				
Professional fees	8,675	14,071	32,005	17,648
Consulting fees	95,000	–	95,000	–
Public company costs	2,502	2,830	8,323	6,894
General and administration	65	31	167	353
Foreign exchange loss (gain)	1,533,159	704	1,531,792	(501)
Interest	1,051,461	881,734	3,125,967	2,645,201
	2,690,862	899,372	4,793,254	2,669,595
Loss	(2,690,862)	(899,372)	(4,793,254)	(2,669,595)

Loss for the 6 months and 3 months ended June 30, 2022 increased, which reflects an increase in interest on default judgment payable.

Summary of Quarterly Results

	Q4 2020	**Q1 2021**	**Q2 2021**	**Q3 2021**	**Q4 2021**	**Q1 2022**	**Q2 2022**	**Q3 2022**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	–	–	–	–	–	–	–	–
Loss								
- Total	851,112	881,391	888,832	899,371	883,632	1,042,313	1,060,079	2,693,862
- Per share	1.71	1.76	0.03	0.01	0.01	0.02	0.02	0.04

Commencing in Q2 2021, the loss per share reflects the issue of 59,999,998 common shares to settle advances payable and due to related parties.

Liquidity and Capital Resources
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Related Party Transactions

	Expenses incurred in the 9 months ended September 30, 2022 $	Outstanding as at September 30, 2022 $
Consulting fees		
Griffis International Limited, a company controlled by A. Thomas Griffis, a director and officer of the Company until his resignation on September 26, 2022	50,000	–
Professional fees/share issue costs		
Irwin Lowy LLP, a law firm with a partner, Chris Irwin, a director of the Company	27,445	21,934

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, due to related parties and default judgment payable
The fair value of accounts payable and accrued liabilities, due to related parties and default judgment payable approximates their carrying values 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.

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. Credit risk arises from the Company's cash. The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with a Canadian chartered bank.

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 settle its outstanding liabilities including the default judgment payable and 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.

Foreign exchange risk
Foreign exchange risk is the risk of financial loss to the Company due to a change in foreign exchange rates. The default judgment payable is denominated in US dollars. The Company estimates that if the exchange rate between United States dollars and Canadian dollars as at September 30, 2022 had changed by 1%, with all other variables held constant, the foreign exchange gain (loss) would have decreased or increased by $392,355.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At September 30, 2022, the Company's exposure to the risk of changes in market interest rates relates to post-judgment interest on the default judgment payable. Because of the post-judgment interest rate is fixed at 12%, fluctuations in market rates do not have a significant impact on estimated fair values at September 30, 2022.

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 a business 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 November 29, 2022

Shares
Authorized:
An unlimited number of special shares issuable in series.
An unlimited number of common shares.

Outstanding:
77,547,890 common shares.