

NOTICE TO SHAREHOLDERS OF MERCURY CAPITAL LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF MERCURY CAPITAL LIMITED

Notice is hereby given that the annual and special meeting (the “**Mercury Meeting**”) of the holders of common shares of Mercury Capital Limited (“**Mercury**”) will be held at the offices of Garfinkle Biderman LLP, Suite 801, Dundee Place, 1 Adelaide Street East, Toronto, Ontario M5C 2V9 at 10:00 a.m. (Toronto time) on February 21, 2012 for the following purposes:

1. To receive the audited financial statements of Mercury for the financial year ended December 31, 2010, together with the report of the auditor thereon, and the interim unaudited financial statements of Mercury for the three and nine month period ended September 30, 2011;
2. to elect the directors of Mercury, provided that if the proposed Amalgamation Resolution (as defined below) is passed and the Proposed Transaction (as defined below) is completed, the directors of the Resulting Issuer will be the directors set out in the amalgamation agreement made between Mercury and Canada Coal Inc. (“**Canada Coal**”) dated as of November 4, 2011 (the “**Amalgamation Agreement**”);
3. to appoint Collins Barrow Toronto LLP, Chartered Accountants, as auditor of Mercury for the ensuing year and to authorize the directors of Mercury to fix their remuneration, provided that if the proposed Amalgamation Resolution is passed and the Proposed Transaction is completed, the auditor of the Resulting Issuer will be the auditors set out in the Amalgamation Agreement;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving Mercury’s stock option plan, as more fully described in the accompanying management proxy and joint management information circular (the “**Circular**”);
5. to consider and, if thought appropriate, to pass, with or without modification, a special resolution (the “**Amalgamation Resolution**”) approving the amalgamation (the “**Proposed Transaction**”) of Mercury with Canada Coal under the *Business Corporations Act* (Ontario), substantially on the terms and conditions of the Amalgamation Agreement, as more particularly described in the accompanying Circular;
6. to consider and, if thought appropriate, pass, with or without variation, a resolution approving Mercury’s stock option plan, as the stock option plan of the issuer resulting from the amalgamation of Mercury and Canada Coal, as more fully described in the accompanying Circular; and
7. to transact such other business as may properly come before the Mercury Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Mercury Meeting and the specific details regarding the Proposed Transaction are described in further detail in the accompanying Circular. All information contained in this Circular with respect to Mercury was supplied by Mercury for inclusion herein, and all information contained in this joint management information circular with respect to Canada Coal was supplied by Canada Coal for inclusion herein.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Mercury Meeting is January 10, 2012 (the “**Mercury Record Date**”). Mercury Shareholders whose names have been entered in the register of shareholders at the close of business on the Mercury Record Date will be entitled to receive notice of and to vote at the Mercury Meeting or any adjournment thereof.

A shareholder may attend the Mercury Meeting in person or may be represented by proxy. A Mercury Shareholder who is unable to attend the Mercury Meeting or any adjournment thereof in person is requested to date, sign and return the accompanying form of proxy for use at the Mercury Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Investor Services Inc., 100

University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Mercury Meeting or any adjournment thereof.

Mercury Shareholders who are unable to be present personally at the Mercury Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Mercury Meeting, you are requested to bring the enclosed form of proxy for identification.

DATED at Toronto, Ontario this 23rd day of January,
2012.

BY ORDER OF THE BOARD OF DIRECTORS

“Alexander C. Logie”

Alexander Logie
Chief Executive Officer