



Management Discussion and Analysis

For the Year Ended December 31, 2020

This Management Discussion and Analysis (“MD&A”) of EastCoal Inc. (the “Company” or “EastCoal”) provides analysis of the Company’s financial results for the year ended December 31, 2020 and should be read in conjunction with the accompanying audited consolidated financial statements and notes thereto for the year ended December 31, 2020 (“Financial Statements”) which is available on SEDAR at www.sedar.com. The MD&A is current as at April 30, 2021, the date of preparation.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS”) applicable to the preparation of annual financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

1 Business Overview

EastCoal Inc. is publicly traded on the NEX board, as administered by the TSX-V.

The Company continues to actively seek new investment opportunities.

1.1 Management Changes

There were no management changes in 2020.

The Board of Directors currently comprises Mr. John Conlon, Non-Executive Chairman, Mr. Hendrik Dietrichsen, President, Chief Executive Officer, and Corporate Secretary and Mr. Abraham (“Braam”) Jonker.

1.2 Results of Operations

<i>In thousands of Canadian dollars unless otherwise noted</i>	2020	2019
Expenses		
Technical consulting fees	(31)	(-)
General and administrative expenses	(55)	(44)
Finance expense	(17)	(46)

The Company incurred technical consulting fees and increased general and administrative fees in relation to the intended acquisition of American Mining Group LLC (“AMC”) as announced on January 27, 2020. On April 9, 2020 the Company announced that its Letter of Intent with AMC expired. Ongoing general and administrative expenses in the absence of corporate activity are expected to be circa \$30,000 to \$50,000 per annum.

Interest expense for the year ended December 31, 2020 comprised \$17,214 interest accrued on the secured director's loans. See Transactions with Related Parties below.

2 Selected Annual Information

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares.

Fiscal Year / \$000's except per share amounts	2020	2019	2018
Net loss	\$ (103)	\$ (90)	\$ (95)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)
Comprehensive loss	\$ (103)	\$ (90)	\$ (95)
Total assets	\$10	\$ 15	\$ 29
Total non-current liabilities	\$ -	\$ -	\$ -
Cash dividends per share, common	N/A	N/A	N/A

3 Summary of Quarterly Results

Selected financial information for each of the eight most recently completed quarters are as follows:

\$000's except per share	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amounts								
Net loss and comprehensive loss	(0)	(9)	(10)	(84)	(28)	(14)	(33)	(15)
Basic and diluted income (loss) per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

4 Liquidity and Capital Resources

The Company has experienced recurring operating losses and has accumulated a deficit of \$100,674,274 at December 31, 2020. For the year ended December 31, 2020 the Company used cash in operating activities of \$6,605. The Company had cash of \$3,042 and a working capital deficit of \$67,113 at December 31, 2020. Working capital is defined as current assets less current liabilities.

The Company's continued operation is dependent upon its ability to raise additional funding. Although the directors believe that the Company should be able to secure future fundraising as required, there are no assurances that the Company will be successful in achieving this goal. As a result, there are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. The Company's consolidated financial statements have been prepared on a going concern basis, which assumes the Company will realize on its assets and discharge its liabilities in the normal course of operations, and do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic

downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds, however the impact to date has been limited.

5 Transactions with Related Parties

During the year ended December 31 the Company paid or accrued:

<i>In thousands of Canadian dollars unless otherwise noted</i>	2020	2019
Interest accrued to a director	17	46

As at December 31, 2020, \$26,093 (2019: \$427,319) was payable to directors and officers of which \$nil (2019: \$200,000) is included in borrowings and \$26,093 (2019: \$227,319) in trade and other payables. Interest of \$17,214 (2019: \$45,784) relating to the outstanding balance was incurred during the year ended December 31, 2020.

During the year, the Company settled a total of \$511,483 in debt owed to two directors, John Conlon and Abraham Jonker, through the issuance of 7,577,531 shares.

6 Significant Accounting Policies and Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company's accounting policies are described in Note 3 to the December 31, 2020 audited consolidated financial statements.

7 Forward Looking Statements

This MD&A contains certain forward - looking statements. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performance, prospects and opportunities of the Company. When used in this MD&A, such statements use words such as "may", "would", "could", "will", "expect", "believe", "plan", "anticipate", "forecast", "estimate", "predict", "potential", "budget", or the negative of these terms or other similar expressions concerning matters that are not historical fact. In particular, statements regarding the Company's restructuring efforts are or involve forward - looking statements. These statements reflect management's expectations as of the date of such forward - looking statement regarding the Company's financial performance and should not be read as guarantees of future performance or results. Forward - looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward - looking statements., including, but not limited to, certain documents incorporated by reference herein. Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those described in forward - looking statements, there may be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that actual events, performance or results will be consistent with these forward - looking statements and accordingly readers should not place undue reliance on forward - looking

statements. The Company assumes no obligation to update or revise forward - looking statements to reflect new events or circumstances, except as required by law.

8 Outstanding Share data as at April 30, 2021:

a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	19,017,915

b) Summary of options outstanding:

Nil

9 Internal Control and Disclosure Controls Over Financial Reporting:

Controls and procedures

The Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate for non-venture issuers under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure controls and procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the interim and annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

10 Other Information:

For additional disclosures concerning the Company's general and administrative expenses, please refer to the audited consolidated annual financial statements for the year ended December 31, 2020, which are available on the Company's website at www.eastcoal.ca or on SEDAR at www.sedar.com.