



Management Discussion and Analysis

For the Three and Six Months Ended June 30, 2021

This Management Discussion and Analysis (“MD&A”) of EastCoal Inc. (the “Company” or “EastCoal”) provides analysis of the Company’s financial results for the three and six months ended June 30, 2021 and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 2021 (“Financial Statements”) which is available on SEDAR at www.sedar.com. The MD&A is current as at August 26, 2021, the date of preparation.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“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.

2 Results of Operations

<i>In thousands of Canadian dollars unless otherwise noted</i>	For the three months ended		For the six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Expenses				
Technical consulting fees	-	31	-	(28)
General and administrative expenses	(16)	(37)	(20)	(49)
Interest expense	-	(4)	-	(17)
Income (loss) for the period	\$ (16)	\$ (10)	\$ (20)	\$ (94)

The Company has not incurred any technical expenses during the period. General and administrative expenses were lower than the comparative period due to a lower level of activity.

During the comparative period the Company entered into a debt for equity settlement on the secured directors’ loan, hence no interest was incurred during the current period.

3 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
Loss from continuing operations	\$ (103)	\$ (90)	\$ (95)
Basic and diluted income (loss) per share – continuing operations	\$ (0.01)	\$ (0.01)	\$ (0.01)
Comprehensive loss	\$ (103)	\$ (90)	\$ (94)
Total assets	\$10	\$ 15	\$ 29
Total non-current liabilities	\$ -	\$ -	\$ -
Cash dividends per share, common	N/A	N/A	N/A

4 Summary of Quarterly Results

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

\$000's except per share	2021		2020			2019		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Comprehensive (loss) income	(16)	(4)	(0)	(9)	(10)	(84)	(28)	(14)
Basic and diluted income (loss) per share – continuing operations	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)

5 Liquidity and Capital Resources

The Company has experienced recurring operating losses and has accumulated a deficit of \$100,694,236 at June 30, 2021. For the six-month period ended June 30, 2021 the Company used cash in operating activities totalling \$76. The Company had cash of \$2,966 and a working capital deficit of \$79,006 at June 30, 2021. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year.

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. These 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.

6 Transactions with Related Parties

As at June 30, 2021, a total of \$51,388 was payable to a director and an officer for expenses paid on behalf of the Company which is included in trade and other payables.

7 Subsequent events

Private Placement

On August 12, 2021 the Company announced that it proposes to proceed with a non-brokered private placement (the "Private Placement") of 4,040,404 units (the "Units") at a price of \$0.12375 per Unit, for gross proceeds of \$500,000. Each Unit will be comprised of one common share (a "Share") in the share capital of the Company and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to acquire one additional Share at a price of \$0.165 for a period of twelve months from the closing date. The Company plans to allocate the gross proceeds of the Private placement to general working capital.

Pursuant to the Private Placement, the Company anticipates that Kings Chapel International Limited, a participant in the proposed Private Placement, could hold more than 20% of the Company's outstanding Shares assuming exercise of the Warrants. The Company has scheduled an annual and special meeting of its shareholders to be held on September 20, 2021 and will at such meeting request that the disinterested shareholders of the Company approve Kings Chapel as a possible new control person of the Company. Kings Chapel will not be allowed to exercise a portion of the Warrants prior to such approval.

The Private Placement is subject to receipt of TSX Venture Exchange ("TSXV") approval. All securities issued pursuant to the Private Placement will be subject to a hold period of four months and one day from the date of issuance, in accordance with applicable securities legislation.

Appointment of new director

On August 12, 2021 the Company announced that Mr. Julian Treger, a person closely associated with Kings Chapel, has, subject to completion of the Private Placement, agreed to join the Company's Board of Directors (the "Board") as Non-Executive Director. Mr Treger is currently the Chief Executive Officer of Anglo Pacific Group Plc. During his tenure at Anglo Pacific Group, he has made \$450m of acquisitions, transforming the business from a coal-based royalty business to a battery focused streamer, whilst increasing income from £3m in 2013 to close to £60m in 2019 pre-covid. Mr Treger also serves as non-executive chairman of Audley Capital Advisors llp, an investment advisory firm focused on natural resources which has a long track record of transforming and unlocking considerable value in the commodities extraction space, notably at Western Coal Corp which it restructured pre bankruptcy and oversaw the sale a few years later at a value of \$3.3b, and at Mantos Copper, acquired from Anglo American for \$300m in 2015 and now worth well over \$1b. In addition, Mr. Treger holds external non-executive directorships with Mantos Copper S.A., Broadwell Capital and BSL plc. He has a BA from Harvard College and an MBA from Harvard Business School.

Change of name to CoTec Holdings Corp.

On August 12, 2021 the Company announced its intention to, subject to TSXV approval, change its name from EastCoal Inc. to CoTec Holdings Corp.

On August 25, 2021 the Company announced that effective August 27, 2021 it will change its name from EastCoal Inc. to CoTec Holdings Corp. and would commence trading on the NEX Board of the TSXV under the trading symbol “CTH.H”.

8 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, 2019 audited consolidated financial statements.

9 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. 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.

10 Outstanding Share data as at August 26, 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

11 Internal Control and Disclosure Controls Over Financial Reporting:

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers, such as the Company, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007 and thereafter. The Company is now required to file basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at June 30, 2020.

12 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, 2019, which are available on SEDAR at www.sedar.com.