



Management Discussion and Analysis

For the Three and Nine Months Ended September 30, 2019

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 nine months ended September 30, 2019 and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2019 (“Financial Statements”) which is available on SEDAR at www.sedar.com. The MD&A is current as at November 29, 2019, 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 nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Expenses				
General and administrative expenses	(3)	(3)	(28)	(43)
Interest expense	(11)	(10)	(34)	(31)
Income (loss) for the period	\$ (14)	\$ (13)	\$ (62)	\$ (74)

General and administrative expenses for the nine month period ended September 30, 2019 were in line with the equivalent period in 2018. Ongoing general and administrative expenses in the absence of corporate activity are expected to be circa \$60,000 to \$80,000 per annum.

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	2018	2017	2016
Total revenue – discontinued operations	\$ -	\$ -	\$ -
Loss from continuing operations	\$ (95)	\$ (99)	\$ (98)
Basic and diluted income (loss) per share – continuing operations	\$ (0.01)	\$ (0.01)	\$ (0.01)
Comprehensive loss	\$ (94)	\$ (99)	\$ (98)
Total assets	\$ 29	\$ 103	\$ 4
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	2019			2018			2017	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Comprehensive (loss) income	(14)	(33)	(15)	(21)	(13)	(20)	(41)	(22)
Basic and diluted income (loss) per share – continuing operations	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Basic and diluted income (loss) per share – discontinued operations	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

5 Liquidity and Capital Resources

The Company has experienced recurring operating losses and has accumulated a deficit of \$100,543,000 at September 30, 2019. For the nine month period ended September 30, 2019 the Company incurred a loss of \$62,000 and used net cash in operating activities totalling \$16,000. The Company had cash and cash equivalents of \$10,000 and a working capital deficit of \$440,000 at September 30, 2019. 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 and/or to agree an extension of the director's loan account. Although the directors believe that the Company should be able to secure future fundraising as required and/or to agree an extension of the director's loan, there are no assurances that the Company will be successful in achieving this goal. As a result, there are material uncertainties that the Company will be able 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.

6 Transactions with Related Parties

As at September 30, 2019, \$416,000 (December 31, 2018 – \$361,000) was payable to a director and officer of which \$200,000 (December 31, 2018 - \$200,000) is included in borrowings and \$216,000 (December 31, 2018 – \$161,000) in accounts payable and accrued liabilities. Interest of \$34,000 relating to the outstanding balance was accrued in the nine months ended June 30, 2019 (September 30, 2018 – \$31,000) and is included in the total amount payable to the director.

These transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

7 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, 2018 audited consolidated financial statements.

8 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.

9 Outstanding Share data as at November 29, 2019:

a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	11,440,388

b) Summary of options outstanding:

nil

10 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 September 30, 2019.

11 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, 2018, which are available on SEDAR at www.sedar.com.