

No. B131400
Estate No. 11-1806986
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF
EASTCOAL INC.

ORDER MADE AFTER APPLICATION

) THE HONOURABLE)
BEFORE)) 20 / May / 2014
) Mr. JUSTICE EHRCKE)

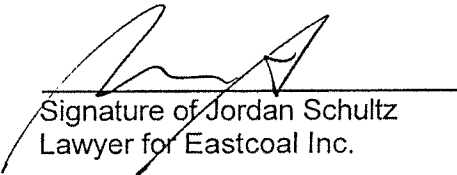
ON THE APPLICATION of Eastcoal Inc., coming on for hearing at Vancouver, British Columbia, on this day and on hearing Jordan Schultz, counsel for Eastcoal Inc., and no one else appearing although duly served;

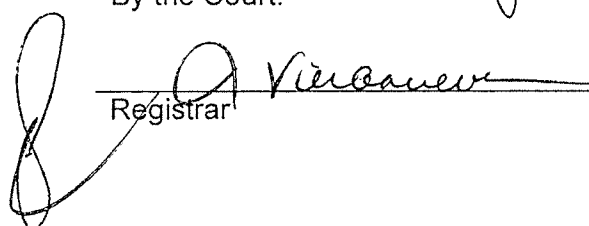
THIS COURT ORDERS AND DECLARES that:

1. The Proposal of Eastcoal Inc. (the "**Company**") dated April 10, 2014, and filed herein (the "**Proposal**"), is hereby approved.
2. The Share Subscription Agreements and transactions contemplated by the Proposal (collectively, the "**Transactions**") are hereby approved, and the Company is hereby authorized and directed to effect and complete the Transactions.
3. The Articles of EastCoal Inc. are hereby amended such that, notwithstanding any restriction contained therein, the Company may, for the purposes of meeting the conditions and terms of the Transactions, consolidate all or any of its unissued, or fully paid issued, shares by directors resolution.

4. Subsection 69.6(2) of the *Bankruptcy and Insolvency Act* (the "BIA") does not apply in respect of any action, suit or proceeding taken by or before TSX Venture Exchange Inc. (the "Exchange") due to, or as a result of, the Transactions, and the Exchange is hereby stayed from taking any step to delist the Company due to, or as a result of, the Transactions.
5. Pursuant to section 150(1)(a) of the *Business Corporations Act*, any director or senior officer that is party to any of the Transactions is not liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the Transaction.
6. Having been advised of the requirements of Multilateral Instrument 61-101 ("MI 61-101") regarding formal valuations for related party transactions, the provisions of paragraph 5.5(f) of MI 61-101, minority approval of related party transactions and the provisions of paragraph 5.7(1)(d) of MI 61-101
 - (a) compliance with section 5.4 of MI 61-101, solely in relation to the Transactions, is not required; and
 - (b) compliance with section 5.6 of MI 61-101, solely in relation to the Transactions, is not required.
7. Deloitte Restructuring Inc., in its capacity as trustee under the Proposal, is hereby authorized and entitled to pay its interim fees, subject to final taxation.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:


Signature of Jordan Schultz
Lawyer for Eastcoal Inc.

By the Court.

Registrar

W. E. Hutchings, J.

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Attn: Jordan Schultz