

THE SECURITIES ACT)
)
Section 147.1(1))

Order No. 7525

July 27, 2020

Royal Coal Corp.

WHEREAS:

(A) The Director of The Manitoba Securities Commission (the “**Commission**”) issued a cease trade order dated July 9, 2012, (Order No. 6557) under section 147.1(1) of *The Securities Act* (Manitoba) (the “**Act**”) (the “**Manitoba Cease Trade Order**”) for failure to file required continuous disclosure in accordance with National Instrument 51-102 *Continuous Disclosure Obligations* and provided that all trading in the securities of Royal Coal Corp. (the “**Filer**”) shall cease until further order by the Director.

(B) The Filer has made application to the Commission under Part 4 of National Policy 12-202 *Revocation of Certain Cease Trade Orders* (“**NP 12-202**”) for an order pursuant to section 147.1(1) of the Act revoking the Manitoba Cease Trade Order.

(C) The Filer has represented to the Commission that:

1. The Filer was incorporated under the *Business Corporations Act* (Alberta) on September 17, 2007. By articles of amendment dated January 14, 2008, the Filer amended its articles of incorporation to delete the restrictions on share transfers. On August 12, 2010, the Filer acquired all of the shares of CDR Minerals Inc. (“**CDR**”) pursuant to an amalgamation (the “**Business Combination**”) of a wholly-owned subsidiary of the Filer and CDR to form Royal Coal Limited. In connection with the Business Combination, by articles of continuance dated August 10, 2010, the Filer continued under the laws of the Province of Ontario from the Province of Alberta, the name of the Filer was changed from “Amalfi Capital Corporation” to “Royal Coal Corp.” and the issued and outstanding common shares of the Filer (the “**Common Shares**”) were consolidated on the basis of one new consolidated Common Share for each two previously issued and outstanding Common Shares. The registered and head office of the Filer is located at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9.
2. The Filer has been a reporting issuer under the Act, is currently a reporting issuer in the Provinces of British Columbia, Alberta, Manitoba and Ontario (collectively, the “**Reporting Jurisdictions**”) and is not a reporting issuer or equivalent in any other jurisdiction in Canada. The Filer’s principal regulator is the Ontario Securities Commission.
3. The Filer’s authorized capital consists of an unlimited number of Common Shares and an unlimited number of special shares, issuable in series, of which 256,740,671 Common Shares and no special shares are issued and outstanding.

4. The Common Shares trade on the TSX Venture Exchange (the “**TSXV**”) under the stock symbol “RDA”. The Common Shares were delisted from trading on the TSXV on July 20, 2012, for failure to maintain minimum TSXV requirements. The Common Shares are not listed on any current marketplace for trading.
5. The Manitoba Cease Trade Order was issued as a result of the Filer's failure to file the following continuous disclosure materials within the timeframe stipulated by the applicable legislation:
 - (a) audited annual financial statements for the year ended December 31, 2011;
 - (b) management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2011 as required by National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”); and
 - (c) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (“**NI 52-109**”);(collectively, the “**2011 Annual Filings**”).
6. Subsequent to the issuance of the Manitoba Cease Trade Order, the Filer also failed to file, within the timeframe stipulated by the applicable legislation: (a) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2012, June 30, 2012 and September 30, 2012; (b) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2012; (c) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2013, June 30, 2013 and September 30, 2013; (d) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2013; (e) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2014, June 30, 2014 and September 30, 2014; (f) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2014; (g) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2015, June 30, 2015 and September 30, 2015; (h) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2015; (i) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2016, June 30, 2016 and September 30, 2016; (j) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications

required by NI 52-109 for the year ended December 31, 2016; (k) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017; (l) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2017 (collectively, the "**2017 Annual Filings**"); (m) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2018, June 30, 2018 and September 30, 2018; (n) audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2018 (collectively, the "**2018 Annual Filings**"); and (o) interim financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the periods ended March 31, 2019 and June 30, 2019 (collectively, the "**2019 Interim Filings**").

7. The Filer has not filed the unaudited interim financial statements, accompanying management's discussion and analysis, related NI 52-109 certificates for the interim periods ended March 31, 2012 to September 30, 2018 and audited annual financial statements, accompanying management's discussion and analysis, related NI 52-109 certificates for the years ended 2011 through 2016 (the "**Outstanding Filings**").
8. The Filer has filed with the Commission all continuous disclosure that it is required to file under Manitoba securities law, except for the Outstanding Filings and any other continuous disclosure that the Commission elected not to require as contemplated under section 6 of NP 12-202.
9. Other than the failure to file the Outstanding Filings, the Filer is (i) up-to-date with all of its other continuous disclosure obligations; (ii) not in default of any of its obligations under the Manitoba Cease Trade Order; and (iii) not in default of any requirements under the Act or the rules and regulations made pursuant thereto.
10. Since the issuance of the Manitoba Cease Trade Order, the Filer has filed the following on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"): (a) the 2017 Annual Filings; (b) the 2018 Annual Filings; and (c) the 2019 Interim Filings. The Filer has also filed the audited annual financial statements, management's discussion and analysis required by NI 51-102 and certifications required by NI 52-109 for the year ended December 31, 2019 and the interim financial statements, management's discussion and analysis required by NI 51-102 and certification required by NI 52-109 for the interim period ended March 31, 2020.
11. The Filer is also subject to, as a result of the failure to file the 2011 Annual Filings: (a) a cease trade order dated August 14, 2012, issued by the Alberta Securities Commission; (b) a cease trade order dated May 9, 2012, issued by the British Columbia Securities Commission; and (c) a cease trade order dated May 15, 2012, issued by the Ontario Securities Commission.

12. The Filer has concurrently applied to the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission for a full revocation of the cease trade order issued in each respective jurisdiction.
13. The Filer is not in default of the Manitoba Cease Trade Order or any cease trade order issued in any of the Reporting Jurisdictions.
14. The Filer has paid all outstanding activity and participation fees, filing fees and late fees owing, has filed all forms associated with such payments in each Reporting Jurisdiction and the Filer is not in default of any requirements under the Act or the rules and regulations made pursuant thereto.
15. The Filer's SEDAR and System for Electronic Disclosure by Insiders profiles are up-to-date.
16. Other than the failure to file the Outstanding Filings, the Filer is not in default of any of the requirements of the Act or the rules and regulations made pursuant thereto.
17. Since the issuance of the Manitoba Cease Trade Order, there have been no material changes in the business, operations or affairs of the Filer that have not been disclosed by news release and/or material change report and filed on SEDAR.
18. The Filer has provided the Ontario Securities Commission with a written undertaking (the "**Undertaking**") that it will:
 - (a) hold an annual meeting of shareholders within three months of the date of this order; and
 - (b) not complete:
 - i. A restructuring transaction involving, directly or indirectly, an existing or proposed material underlying business which is not located in Canada,
 - ii. A reverse takeover with a reverse takeover acquirer that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or
 - iii. A significant acquisition involving, directly or indirectly, an existing or proposed material underlying business which is not located in Canada,unless
 - i. The Filer files a preliminary prospectus and a final prospectus with the Commission and obtains receipts for the preliminary prospectus and final prospectus from the Director under the Act,
 - ii. The Filer files or delivers with the preliminary prospectus and the final prospectus the documents required by Part 9 of National Instrument 41-

101 *General Prospectus Requirements* (“**NI 41-101**”) including a completed personal information form and authorization in the form set out in Appendix A of NI 41-101 for each current and incoming director, executive officer and promoter of the Filer, and

- iii. The preliminary prospectus and final prospectus contain the information required by applicable securities legislation, including the information required for a probable restructuring transaction, reverse takeover or significant acquisition (as applicable).

19. Upon revocation of the Manitoba Cease Trade Order, the Filer will issue a news release and concurrently file a material change report on SEDAR announcing the revocation of the Manitoba Cease Trade Order, describing the Undertaking and outlining the Filer’s future plans.

(D) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

I Hereby Order pursuant to a delegation to me by the Commission under section 4(1) of the Act of the powers in that regard:

THAT, pursuant to section 147.1(1) of the Act, the Manitoba Cease Trade Order is hereby revoked.

BY ORDER OF THE COMMISSION

“Wayne Bridgeman”
Deputy Director
The Manitoba Securities Commission