November 25, 2010

Headnote
Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 51-102, s. 13.1 *Continuous Disclosure Obligations*

Material Change Report – An issuer requires relief from the requirement to include certain financial statements in a material change report filed to report the closing of a restructuring transaction - The required financial statements do not exist and the financial information to prepare full financial statements is not available; alternate financial and technical information will be provided that will be sufficient for shareholders to assess the transaction as a whole

BAR – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report - The required financial statements do not exist and the financial information to prepare full financial statements is not available; alternate financial and technical information will be provided that will be sufficient for shareholders to assess the transaction as a whole

Applicable British Columbia Provisions
National Instrument 51-102, s. 13.1 *Continuous Disclosure Obligations*

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Corsa Capital Ltd.
(the Filer)

Decision

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirements of: (i) item 5.2 of Form 51-102F3 *Material Change Report* to provide the financial statements that would be required under National Instrument 41-101 *General Prospectus Requirements* for each business being acquired and each entity that would result from a restructuring transaction in a material change report; and (ii) section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to provide financial statements for each business being acquired in a business acquisition report, in each case, in connection with the acquisition of the Assets (as hereinafter defined) (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied on in Alberta (the Passport Jurisdiction); and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or the regulator in Ontario.

Interpretation

¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

¶ 3 This decision is based on the following facts represented by the Filer:

1. the Filer is a corporation established under the laws of British Columbia with its head office located in Vancouver, British Columbia;

2. the Filer is a junior mineral resources exploration company pursuing an acquisition strategy focused on metallurgical coal projects in the Appalachian coal fields of the United States;

3. the Filer is a reporting issuer under the laws of the Jurisdictions and the Passport Jurisdiction; its common shares are listed on the TSX Venture

Exchange (the TSX-V); the Filer is not in default of securities legislation of any jurisdiction;

4. as of November 19, 2010, the Filer had outstanding 23,346,767 common shares and 154,319,800 subscription receipts (each convertible into one common share**);**

5. the Filer, through a wholly-owned US subsidiary (US Subco), proposes to indirectly acquire, as a result of the acquisition of a newly formed limited liability company, the following assets (the Assets) and assume the associated liabilities from seven individual vendors resident in Pennsylvania (collectively, the Vendors) in accordance with the terms of an agreement and plan of merger dated August 16, 2010:

   (a) mining leases, options to lease and options to acquire in respect of properties (the Coal Properties) covering approximately 14,050 acres of land in the northeast United States; a technical report in respect of the Coal Properties reports resources of 81 million tons of recoverable coal (proven and probable reserves: 5 million tons; measured and indicated resources: 74 million tons; and inferred resources 2 million tons);

   (b) the land (and environmental and operating permits) for a site upon which the construction of a plant designed for washing coal production from nearby properties (the Washing Plant) has been undertaken and an associated refuse site;

   (c) one small scale open pit mine (the Acosta Mine), including leases which cover 53 acres, that has been in operation since January, 2003;

   (d) a second small scale open pit coal mine (the Quarry Mine), including leases and equipment, which is currently being operated as part of a stone and coal operation by the current owners; and

   (e) a third open pit coal mine (the Cramer Mine) which commenced production in July 2010.

6. the Acosta Mine is operated by a third party "contract miner"; accordingly, the owner of the Acosta Mine is not responsible for the day-to-day operations of the Acosta Mine; the recoverable coal resources associated with the Acosta Mine are estimated at 420,143 tons; the owner of the Acosta Mine purchased the mine in 2008 for $694,000;

7. US Subco proposes to acquire indirectly only the rights to the coal operations of the Quarry Mine (and not the stone quarry); the recoverable coal resources associated with the Quarry Mine are estimated at 482,606 tons;

8. the only active business carried on by the Vendors or prior owners in respect of the Assets is the businesses carried on in respect of the Acosta Mine, the Quarry Mine and the Cramer Mine; in addition, the Vendors commenced in June 2010 the construction of the Washing Plant; construction is expected to be completed in the first quarter of 2011 and operations are expected to start in the first quarter of 2011;

9. except as noted above, the Vendors have not carried on any exploration or development activities in respect of any of the Coal Properties for more than eight years;

10. the purchase price for all of the Assets is approximately US$40 million, allocated as follows:

Asset	Purchase Price Allocation
Washing Plant	6.5%
Acosta Mine	0.9%
Quarry Mine	6.5%
Cramer Mine	6.1%
Other Coal Properties	80.0%;

11. the purchase price for the Assets will be satisfied by the issuance of 52,570,204 common shares of the Filer, a cash payment of US$10,943,408, and the assumption of certain liabilities;

12. US Subco will indirectly assume certain liabilities of the Vendors and a royalty interest in respect of the Washing Plant (the Royalty Interest) and a US$2 million note payable to the holder of the Royalty Interest;

13. the cash portion of the purchase price will be funded from the proceeds of a private placement of 154,319,800 subscription receipts, completed by the Filer on September 30, 2010, for gross proceeds of $69,443,910;

14. according to internal estimates, the Acosta Mine and the Quarry Mine combined represent less than 1.128% of the net asset value of the total assets being acquired; with approximately 900,000 tons (Acosta Mine – 420,143 tons and Quarry Mine – 482,606 tons) in combined coal resources, the Acosta Mine and the Quarry Mine represent approximately 1% of the estimated total

recoverable coal; the resources attributed to the Cramer Mine are reported at 138,080 tons of recoverable coal;

15. combined, the Acosta Mine and the Quarry Mine produced approximately 180,000 to 200,000 tons in 2009 compared to the anticipated future annual target for all of the acquired Assets of 2.0 million tons per year (in 2013);

16. although the Acosta Mine, Quarry Mine and the Cramer Mine are in production, once the acquisition of the Assets is completed, the Acosta Mine and the Quarry Mine will be operated as part of a larger integrated operation;

17. the primary business of the Filer following the acquisition of the Assets will be developing and exploiting the Coal Properties and Washing Plant and continuing its acquisition strategy; in view of the relative resources and anticipated production indicated above, none of the Acosta Mine, Quarry Mine or the Cramer Mine will constitute the primary business of the Filer;

18. the consolidated assets of the Filer as at November 30, 2009 (year end) were reported at $945,000; the value allocated to the Acosta Mine, the Quarry Mine and the Cramer Mine, as set out in the opening balance sheet referred to below, exceeds the investment and asset test of NI 51-102 (relying on the calculations set out in subsection 8.3(3)(b) of NI 51-102);

19. the acquisition of the Assets is a restructuring transaction as defined under NI 51-102, which would give rise to the requirement to provide prospectus-level disclosure for each entity resulting from the transaction and each business acquired pursuant to the transaction in the material change report concerning the transaction; the LLC (as defined below) will become a subsidiary of the Filer as a result of this transaction;

20. the Filer has retained a firm of certified public accountants (the Accountants) to review the records of the Vendors relating to the Acosta Mine and Quarry Mine;

21. the Accountants have advised that, in their view, it is not possible to prepare the audited historical financial statements for the Acosta Mine or the Quarry Mine as required under the Legislation for the following reasons:

(a) no physical inventories have been performed or observed historically; no perpetual inventory system is in place; and historical inventory records do not exist;

(b) insufficient accounting records exist to permit an audit of historical expenses;

(c) the shipment and sales records for the Acosta Mine are comingled with other shipment and sales records of the Vendors related to other operations that are not part of the contemplated transaction;

(d) original purchase documents for the Acosta Mine could not be located and it is certain that valuations were not prepared when the Acosta Mine was acquired by the Vendors in May of 2008; accuracy of all periods including and subsequent to May, 2008 is compromised due to improper purchase price allocation in May, 2008; this creates a scope limitation for an audit due to the lack of available supporting documentation along with the limitations on access to the books and records as described in paragraph (b) above; and

(e) the assets of the Quarry Mine consist of stone and coal operations; the records in respect of the combined operations are commingled and the Accountants are of the view that the Filer would be unable to meaningfully segregate the coal operations' expenses;

22. the Filer made reasonable efforts to obtain the historical accounting records required to prepare full audited financial statements concerning the Assets, but such records were unavailable or did not exist;

23. the acquisition of the Assets will be structured in two stages, the first being a sale by certain of the Vendors and by three corporate entities of their interest in the Assets to Wilson Creek Energy LLC, a Pennsylvania limited liability company (the LLC) in consideration for membership interests in LLC (and subsequent distribution of those interests to the shareholders of the corporate entities); the second stage will be the sale (by way of merger) of all of the interests in the LLC by the Vendors to US Subco;

24. the LLC was formed on June 10, 2010 for the specific purpose of acquiring the Assets and granting the Royalty Interests and has not carried on any business other than entering into certain agreements relating to the acquisition of the Assets.

Decision

¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

(a) the Filer includes in the material change report for the closing of the acquisition of the Assets and the business acquisition report filed regarding the acquisition of the Assets the following alternative financial information:

(i) an audited statement of assets acquired and liabilities assumed for the LLC as at September 30, 2010, which is the date upon which the Assets will be valued for purposes of their acquisition by the LLC;

(ii) reviewed combined statements of revenues and direct operating expenses for the Acosta Mine, the coal mine operations of the Quarry Mine and the Cramer Mine for the years ended December 31, 2008 and December 31, 2009 and 9 months ended September 30, 2010;

(iii) audited combined statements of revenues for the Acosta Mine, the coal mine operations of the Quarry Mine and the Cramer Mine for the years ended December 31, 2008 and December 31, 2009 and 9 months ended September 30, 2010;

(iv) a pro forma balance sheet of the Filer as at August 31, 2010 (combining the LLC balance sheet as at September 30, 2010 and the actual August 31, 2010 balance sheet of the Filer); and

(iv) an unaudited pro forma income statement for the Filer for the most recent year (November 30, 2009) and 9 months (August 31, 2010) (combining the combined statements of revenues and direct operating expenses described above and the actual statements of the Filer); and

(b) the material change report for the closing of the acquisition of the Assets and the business acquisition report regarding the acquisition of the Assets include summary information about estimated reserves and/or resources for the Coal Properties.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission