



PACIFIC COAL RESOURCES LTD.

Suite 1100 - 333 Bay Street
Toronto, Ontario
M5H 2R2

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To be held Wednesday, September 2, 2015 at 10:00 a.m. (Toronto time)

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of common shares in the capital of Pacific Coal Resources Ltd. (the “**Corporation**”) will be held at 10:00 a.m. (Toronto time) on Wednesday, September 2, 2015 at the offices of Blake, Cassels & Graydon LLP, Commerce Court, 199 Bay Street, Toronto, Ontario for the following purposes:

- (a) **TO RECEIVE** the consolidated annual financial statements for the year ended December 31, 2014 and the auditors’ report thereon;
- (b) **TO FIX** the number of directors for the ensuing year at nine (9);
- (c) **TO ELECT** the directors of the Corporation until the next annual meeting of the shareholders of the Corporation or until their successors are elected or appointed;
- (d) **TO APPOINT** auditors of the Corporation to hold office until the close of the next annual meeting and authorize the board of directors to fix their remuneration;
- (e) **TO RE-APPROVE**, as required by the TSX Venture Exchange on an annual basis, the Corporation’s rolling stock option plan, as described in the enclosed Management Information Circular; and
- (f) **TO TRANSACT** such further and other business as may properly be brought before the Meeting or any adjournment thereof.

Specific details of the matters to be put before the shareholders at the Meeting are set forth in the accompanying Management Information Circular.

The board of directors of the Corporation recommends that the shareholders vote **IN FAVOUR** of all of the foregoing resolutions.

The record date (the “**Record Date**”) for the determination of shareholders entitled to receive notice of and to vote at the Meeting was the close of business on July 24, 2015. Only shareholders whose names have been entered in the register of holders of common shares at the close of business on the Record Date were entitled to receive notice of and to vote at the Meeting.

Each common share entitled to be voted on each resolution at the Meeting will entitle the holder to one vote at the Meeting. Each resolution must be approved by a majority of the votes cast by the shareholders present in person or by proxy at the Meeting, unless the resolution is a special resolution in which case a majority of 66⅔% of the votes cast will be required.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the applicable accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the proxy must be received by TMX Equity Transfer Services Inc., Attention: Proxy Department, by mail: 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, or by facsimile: 416-595-9593, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof at which the proxy is to be used. Notwithstanding the foregoing, the Chair of the Meeting has the sole discretion to accept proxies received after such deadline but is under no obligation to do so.

If a shareholder receives more than one form of proxy because such holder owns common shares registered in different names or addresses, each form of proxy should be completed and returned.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Meeting. Shareholders who are planning on returning the applicable accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form. **It is the intention of the persons named in the enclosed applicable form of proxy, if not expressly directed to the contrary in such form of proxy, to vote in favour of all resolutions.**

This year, the Corporation has determined to deliver this Notice of Meeting and the accompanying Management Information Circular and form of proxy (collectively the “**Meeting Materials**”) to shareholders by posting the Meeting Materials at <https://noticeinsite.tmxequity.com/PacificCoalASM2015> in accordance with the notice and access notification mailed to shareholders of the Corporation. The use of the notice and access procedures under applicable securities laws will reduce the Corporation’s printing and mailing costs and is more environmentally friendly as it will help to reduce paper use. The Meeting Materials will be available on the above-noted website as of July 31, 2015, and will remain on the website for one full year thereafter. The Meeting Materials will also be available under the Corporation’s profile on SEDAR at www.sedar.com as of July 31, 2015 as well as the Corporation’s website at www.pacificcoal.ca.

The Corporation will also mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other shareholders of the Corporation will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials can request same from the Corporation by calling toll-free in North America at 1-866-393-4891 or at 416-361-0930 outside of North America or by email at tmxeinvestorservices@tmx.com. The Corporation will mail paper copies of the Meeting Materials to requesting shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

Should you have any questions regarding information contained in the enclosed documents or if you require assistance in voting your shares, please feel free to contact the Company’s Deputy General Counsel, Melissa Krishna at 416-360-8725.

Dated at the City of Toronto, in the Province of Ontario, this 22nd day of July, 2015.

**BY ORDER OF THE BOARD OF
DIRECTORS OF PACIFIC COAL
RESOURCES LTD.**

/s/ MELISSA KRISHNA

Melissa Krishna

*Deputy General Counsel & Secretary
Pacific Coal Resources Ltd.*