Form 51-102F3
MATERIAL CHANGE REPORT

1. **Name and address of the Company.**

   Coalcorp Mining Inc. ("**Coalcorp**" or the "**Corporation**")
   220 Bay Street, Suite 1400
   Toronto, Ontario M5J 2W4

2. **Date of Material Change.**

   May 14, 2008.

3. **News Release.**

   A news release disclosing the material change was issued by the Corporation on May 14, 2008 via Canada NewsWire.

4. **Summary of Material Change.**

   On May 14, 2008, the Corporation announced the results and recommendations of its strategic review process (the "**Strategic Review Process**") and that it will be initiating a multi-faceted, focused strategy with a view to the Corporation producing approximately 6.0 million tonnes of coal per year (mtpa) by 2010.

5. **Full Description of Material Change.**

   As announced on February 7, 2008, the board of directors of the Corporation approved a process to review strategic alternatives with the objective of maximizing shareholder value and retained GMP Securities L.P. and Endeavour International Financial Corporation as its advisors, as well as retained Steffen, Robertson and Kirsten (UK) Ltd ("**SRK**") to review the Corporation's operations at La Francia. As a result of the review and after detailed financial analysis, the Corporation and its advisors believe that the inherent value of its assets is significantly in excess of any and all proposals received as a result of the strategic review process and therefore has developed this new strategic plan to unlock this value and enhance value for shareholders.

   The features of this strategy, which are explained in greater detail below, are:

   - raising $120 million through a proposed financing (the "**Financing**"), led by GMP Securities L.P.;
   - a focus on further developing the Corporation's core assets, consisting of the two areas within La Francia I mine (pits A/B) and the development of the C area at La Francia I and the D area at La Francia II, as well as its infrastructure assets, comprising interests in the Fenoco rail line and the proposed ports at Barranquilla and Capulco;
   - the already announced agreement with Masering S.A. ("**Masering**") in which Masering will work with its consortium partners to expand the pit and introduce new equipment to the extraction process;
   - the acquisition of additional mining equipment to be used at La Francia I and II to assist in ramping up production to the projected 6.0 mtpa;

- revising the current mine plan at La Francia I and performing advance waste stripping at Pit C, as well as the retainer of SRK to assist the Corporation in operating and expanding La Francia I and II;
- the disposition of non-core assets, comprising the Cartagena port lands and the Caypa mine; and
- implementing cost-cutting measures, focusing on general and administrative expenses and including a 25% salary reduction for senior management; the Corporation has also made an offer to re-purchase its sales agency arrangement with G.C. Coal Limited.

Financing

Coalcorp announced a proposed public offering of units in the provinces of Ontario, British Columbia, Alberta and Manitoba (the "**Offering Jurisdictions**") and private placement in the U.S. and UK. It was proposed that the offering would be led by GMP Securities L.P. with a syndicate of underwriters to include Canaccord Capital Corporation, Loewen Ondaatje, McCutcheon Limited and Macquarie Capital Markets Canada Ltd.

In connection with the proposed offering of units, Coalcorp filed a preliminary short form prospectus with the securities regulatory authorities in each of the Offering Jurisdictions. The terms of the offering, including the number of securities offered and the offering price, were to be determined in the context of the market; however, it was anticipated that Coalcorp would raise gross proceeds of $120 million through the Financing.

Coalcorp plans to use the net proceeds of the Financing as follows, with the details of each expenditure explained in greater detail below:

Commissioning of rail infrastructure	$25 M
Mine equipment and infrastructure funding	$30 M
Expansion of infrastructure	$15 M
Pre-stripping operating costs	$30 M
Other expenditures, including exploration drilling and acquisition of additional rolling stock	$20 M
Total	$120 M

Any excess funds would be used for the general working capital requirements of the Corporation.

Subsequent to the announcement of the Financing, Coalcorp entered into an agreement dated May 15, 2008 pursuant to which GMP Securities L.P. agreed to purchase, and Coalcorp agreed to sell, units for aggregate gross proceeds of $120,060,000 (as described in greater detail in a separate material change report dated the date hereof).

Focus on Core Assets

The future success of the Corporation is dependent on the proposed expansion of the La Francia I pits (A/B) and the development of the C area at La Francia I and the D area at La Francia II, from their current capacity of approximately 2.0 mtpa to a planned capacity of approximately 6.0 mtpa by the end of 2010. La Francia I is the subject of a technical report dated October 20, 2005 (the "**SRK Report**") prepared by SRK, which reported an estimated proven total coal reserve of 26.75 million tonnes (to a depth of 175m). Pit C at La Francia I and Pit D at La Francia II are the subject of a report dated November 2007 with an effective date of November 12, 2007 (the "**Marston Report**") prepared by Marston & Marston, Inc., which reported a total proven coal reserve of 51.5

million tonnes and probable reserves of 1.6 million tonnes. Based upon production since the date of the SRK Report, and without taking into account any reserve losses that may have occurred during production, management estimates that a total coal reserve of 21.91 million tonnes remains at La Francia I (Pit A/B), resulting in a total reported coal reserve at the two mines of 74.99 million tonnes. The Corporation's plan focuses on these almost 80 million tonnes of reported coal reserves, without accounting for reserves that may be added as the Corporation reviews and revises the current mining plan, including the potential to deepen Pit A/B in certain areas and the negotiation of boundary agreements with neighbouring properties. The Corporation has previously identified measured and indicated resources, some of which are not yet classified as reserves, and will determine whether portions of such resources may be upgraded to reserves as the development of La Francia I and II progresses.

The increase in production at La Francia is expected to take 18 months from implementation to complete and will allow the Corporation to take advantage of increased sales of coal at spot prices, which are anticipated to remain high over the near to medium terms.

The Corporation also retains an extensive land position in and around the Cesar region of approximately 35,680 hectares, near the La Francia mines, and it intends to continue to explore these areas in effort to expand its resource base.

In conjunction with the expansion of production at La Francia I and II, construction of the rail spur to connect La Francia with the Fenoco line has commenced and is expected to be finished in September 2008. Once complete, Coalcorp is expected to have up to 3.5 million tonnes capacity of annual rail access to ship its coal to the northern ocean ports near Santa Marta. The Corporation has also commenced the process of requesting from Fenoco an additional 2.5 million tonnes of annual rail access for 2010 and later. If successful, this is expected to provide the Corporation not only with additional capacity to transport the increased tonnage, but will allow the Corporation to transport its coal at a significantly reduced cost to that currently experienced. Coal is currently trucked to port. The Corporation anticipates that it will cost approximately $25 million to complete the rail spur and also make its final capital contributions to the main Fenoco rail line, and this amount has been included in the anticipated use of proceeds of the Financing.

Implementation of Masering Consortium Contract Mining Arrangement

The Corporation retained SRK to assist with reviewing the overall mining operations at La Francia I and II, and in particular to assess the potential to expand from the current operations of under 2.0 mtpa to 6.0 mtpa as quickly as possible. The Corporation anticipates that, focusing only on the reported coal reserve tonnage of 74.99 million tonnes at La Francia I and II, the expected mine life at a rate of 6.0 mtpa will be 12 to 14 years. A key component of this increase in production will be the implementation of the previously announced Masering consortium contract mining arrangement.

SRK has estimated that the Corporation's current equipment complement limits extraction capability to just under 2.0 mtpa. The implementation of the contract mining arrangement with the Masering consortium will see the introduction of new waste stripping equipment onto the site to increase production, consisting of four Rh120 excavators. This equipment has the capacity to produce an additional 2.0 mtpa, which equals a combined capacity (with the current contractor and existing equipment) of approximately 4.0 mtpa.

In addition, additional facilities will be required to maintain the mining equipment, store the fuel, house the workers, etc. The Corporation anticipates that a cash outlay will be required in the order of $60.0 million, with approximately $50.0 million to be dedicated to the acquisition of equipment (as detailed below) and $10.0 million for the infrastructure, to which the Corporation has allocated $30.0 million of the anticipated use of proceeds from the Financing.

Acquisition of Additional Mining Equipment by Masering

SRK has recommended that, in addition to the equipment that Masering has allocated to its contract with the Corporation, Masering expend approximately $50.0 million in acquiring new equipment. This equipment will include two RH200 ($26m^3$) excavators, with a capacity of 6.6 Mm^3 per year. The acquisition of these excavators would result in a combined fleet capacity as follows:

Two Rh200 excavators ($26m^3$ buckets)	@ 6.6 Mm^3 per unit	13.2 Mm^3 per year
Two Rh120 excavators ($15m^3$ buckets)	@ 3.8 Mm^3 per unit	7.6 Mm^3 per year
Four Rh120 excavators ($17m^3$ buckets)	@ 4.3 Mm^3 per unit	17.2 Mm^3 per year
Three Cat 365/345 excavators	@ 0.9 Mm^3 per unit	2.7 Mm^3 per year
Total waste capacity		40.7 Mm^3 per year

The capacity calculations above assume an average stripping ratio of 6.5 m^3/t coal (6.26 Mt coal per year).

The Masering consortium is contractually required to bring 29 100t haul trucks to site with the new waste excavation fleet, which will satisfy the requirements for the existing excavators. Therefore, a new fleet of trucks for the RH200 excavators will be required, and SRK has recommended that the Masering consortium acquire ten Cat 785 (140 tonne) haul trucks, which can be utilised between both of the large sized excavators.

The Corporation's current coaling fleet consists of coal excavators (Cat 330 and Cat 345) and the 30t road coal transport trucks. The Corporation anticipates that, in order to handle expanded production, the fleet will need to increase at least twofold.

Finally, the Corporation and SRK have also assessed the Corporation's drilling fleet and ancillary equipment, inclusive of tracked bulldozers, graders and other associated equipment and have estimated that additional expenditures could be required to upgrade and supplement this equipment.

It is anticipated that the last of the four Rh120 excavators will be delivered to site at the end of September 2008 and will be ready for production in the middle of November. At that time, the coal mining capacity available to the Corporation is anticipated to be approximately 4.0 mtpa.

The ordering and delivery of the larger excavation fleet (Rh200) and associated 140t haul trucks will require considerable lead time, resulting in a 12 month programme with commissioning on site by mid-2009. It will also require negotiation of further agreements with the Masering consortium or other operators. Therefore, assuming satisfactory arrangements with the Masering consortium are achieved, it is anticipated that annual production will reach the 6.0 million tonne mark by the end of 2010.

Revising La Francia I Mining Plan

The ability of the Corporation to increase production to 6.0 mtpa is dependent not only on the acquisition of additional equipment, but also on converting the current mining profile at La Francia I A/B pits to allow for that expansion.

SRK is in the process of reviewing the mine design and plan, and will be recommending several changes with a view to expanding the mine operations and shortening waste haulage distances, resulting in cost savings. The Corporation is currently redesigning the mine by introducing two additional 30 metre deep working benches in the southwest advancing wall, while at the same time reducing the current upper bench to ensure a 30 metre level between all benches. The benches will be interconnected with 20 metre wide ramps in the advancing wall.

Waste stripping, at an estimated cost of $30.0 million, will be required in the advance areas before coal can be recovered, equivalent to two advance cuts to a depth of 20 metres, priced at current mining rates. Converting the current mining profile will include the removal of the two non-coaling benches at the surface, and three development benches.

The Corporation has allocated an additional $15.0 million towards the expansion of infrastructure and facilities that will be required by the Corporation to implement its plan to expand production. This includes the construction of offices and accommodation, the expansion of the coal stocking facilities, and the construction of site haul roads and de-watering infrastructure, as well as the anticipated costs for attaining expansion permits and associated consultants' fees.

Additionally, the Corporation has allocated $20.0 million for other costs associated with the expansion of production, primarily the need to acquire additional rolling stock as production approaches the anticipated 6.0 mtpa level. The Corporation also intends to continue exploration drilling, focusing on the La Francia properties.

Disposition of Non-Core Assets

In order to focus its energies and finances on the infrastructure and production assets that are key to the Corporation's success, the Corporation has determined that all assets not core to those objectives should be disposed of or wound down. In particular, this means the disposition of the Caypa mine and the Cartagena port lands and associated port license.

The Corporation does not anticipate that the Caypa mine will be cash flow positive in the near or medium terms, and therefore has determined to dispose of the mine. The Corporation has received offers to acquire the subsidiary which holds the rights to the Caypa mine and expects to enter into a binding agreement shortly to sell that subsidiary; however, at this time there is no binding agreement to sell Caypa and there is no assurance that Caypa will be sold, or if sold, at what price.

In addition, the Corporation has determined that the Cartagena port and associated license is not critical to the Corporation's success, given the anticipated location of the Corporation's main coal port at Barranquilla and the restrictions on use imposed by the Colombian government on the Cartagena location. The Corporation has received an offer to acquire the Cartagena port, and expects to complete the sale in the near future; however, at this time there is no binding agreement to sell the Cartagena port and there is no assurance that the Cartagena port will be sold, or if sold, at what price.

The Corporation will make further announcements regarding these assets when and if negotiations are finalised.

Cost Reduction Measures

The Corporation intends to implement a number of cost-cutting measures, focusing on general and administrative (G&A) expenses. The sale of Caypa alone is expected to generate significant G&A savings, but additional measures will be examined, including workforce reductions in Colombia. Additionally, members of senior management have agreed to take a 25% salary reduction, and consulting arrangements have been reduced, effective immediately. Finally, the Corporation has made an offer to acquire its existing coal sales agency arrangement with G.C. Coal Limited which, if accepted, will result in significant cost savings as the Corporation increases its coal production to the 6.0 mtpa level.

Termination of BHP Exploration Arrangement

In addition to the implementation of the Corporation's strategic plan, the Corporation has announced the termination of its exploration joint venture arrangement with BHP Billiton World Exploration Inc. ("**BHP**"), which had been entered into by the parties on April 10, 2007. Under the arrangement, BHP had agreed to expend a minimum of $2.5 million per year over three years in exploring the Corporation's exploration properties.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102.**

Not applicable.

7. **Omitted Information.**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

Peter Volk, General Counsel and Secretary of Coalcorp, is knowledgeable about the material change and this Report and can be reached at (416) 360-4653.

9. **Date of Report.**

May 22, 2008.

"Peter Volk" (signed)
Peter Volk
General Counsel and Secretary