OPTION AGREEMENT

This OPTION AGREEMENT (the **"Agreement"**) is made and entered into this 9th day of May, 2011, but effective as of the 1st day of May, 2011, by and among Birmingham Coal & Coke Company, Inc., an Alabama corporation ("*BCC*"), Cahaba Contracting & Reclamation, L.L.C., an Alabama limited liability company ("*CCR*"), Thomas A. Lewis, an individual residing in the State of Alabama ("*T.A. Lewis*"), Robert A. Lewis, an individual residing in the State of Alabama ("*R.A. Lewis*" and together with T.A. Lewis, the "*BCC Sellers*"), R. Wayne Bass, an individual residing in the State of Alabama ("*Bass*" and together with T.A. Lewis and R. A. Lewis, the "*CCR Sellers*"), Radar USA Hold Corp., a Delaware corporation ("*Optionee*"), and CanAm Coal Corp., a corporation organized under the laws of Alberta, Canada and the sole stockholder of Optionee ("*CanAm*"). The BCC Sellers and the CCR Sellers are referred to herein collectively as the "*Sellers*." BCC, CCR, Optionee, CanAm and Sellers are referred to collectively herein as the "*Parties.*"

RECITALS

Pursuant to that certain Purchase and Sale Agreement by and among the Sellers, Optionee and CanAm, dated May 9, 2011, but effective as of May 1, 2011 (the "*Purchase Agreement*"), Optionee has agreed to purchase from the BCC Sellers, and the BCC Sellers have agreed sell to Optionee, fifty percent (50%) of all of the outstanding capital stock of BCC, on and subject to the terms and conditions set forth in the Purchase Agreement, and pursuant to which Optionee has agreed to purchase from the CCR Sellers, and the CCR Sellers have agreed to sell to Optionee, fifty percent (50%) of all of the membership interests in CCR, on and subject to the terms and conditions set forth in the Purchase Agreement;

The Purchase Agreement provides that, at and as a condition to the Closing of the transactions contemplated in the Purchase Agreement and the purchase of fifty percent (50%) of the BCC Shares and fifty percent (50%) of the CCR Interests by Optionee thereunder, the Parties will enter into this Option Agreement pursuant to which Sellers shall grant to Optionee an option to purchase the balance of the BCC Shares and CCR Interests owned by Sellers after the Closing of the transactions contemplated by the Purchase Agreement (i.e., the remaining fifty percent (50%) of the ownership interests in each of BCC and CCR such that, upon full exercise of the option rights hereunder, Optionee will own 100% of the outstanding BCC Shares and CCR Interests), on the terms and subject to the conditions set forth in this Option Agreement; and the Parties are hereby executing this Agreement contemporaneously with the Closing of the transactions contemplated in the Purchase Agreement (the "Transaction").

NOW THEREFORE, in consideration of the premises and the mutual promises herein made and for those premises and mutual promises made in the Purchase Agreement, in consideration of the representations, warranties, and covenants contained herein and in the Purchase Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound, agree as follows.

Section 1. Definitions.

(a) "*BCC Shares*" means all shares of the common stock of BCC, par value $1.00 per share, now authorized; any other shares of stock of BCC (of whatever kind, class or designation), whether now or hereafter authorized; securities of BCC which, under any conditions, may be converted into or exchanged for any such stock, or which are issued in exchange for securities of BCC, and any rights, options, or warrants to purchase or acquire any such stock or securities.

(b) "*CCR Interests*" means all ownership interests in CCR representing the entire equity and beneficial interests in CCR, including the economic interests and the rights to vote on, consent to, or otherwise participate in any decision, vote or action of or by the members of CCR.

(c) All capitalized terms not otherwise defined herein shall have the meaning given to them in the Purchase Agreement.

Section 2. Option Grant; Exercise.

(a) <u>BCC Option</u>. Each BCC Seller hereby grants unto the Optionee:

(i) first, the irrevocable right and option to purchase from such BCC Seller, at any time on or before the Expiration Date (as defined below), all but not less than all of that number of BCC Shares set forth opposite such BCC Seller's name in the column "BCC 30% Option" on <u>Exhibit A</u> attached hereto (being equal to fifteen percent (15%) of the outstanding BCC Shares as of the date of this Agreement prior to the Transaction for each BCC Seller, and being equal to a total of thirty percent (30%) of the outstanding BCC Shares as of the date of this Agreement prior to the Transaction for the BCC Sellers collectively) (the "*BCC 30% Option*") for the Exercise Price; and

(ii) second, the irrevocable right and option to purchase from such BCC Seller, at any time after the second anniversary of the Closing Date under the Purchase Agreement and on or before the Expiration Date, all but not less than all of that number of BCC Shares set forth opposite such BCC Seller's name in the column "BCC 20% Option" on <u>Exhibit A</u> attached hereto (being equal to ten percent (10%) of the outstanding BCC Shares as of the date of this Agreement prior to the Transaction for each BCC Seller, and being equal to a total of twenty percent (20%) of the outstanding BCC Shares as of the date of this Agreement prior to the Transaction for the BCC Sellers collectively) (the "*BCC 20% Option*" and, together with the BCC 30% Option, the "*BCC Option*") for the Exercise Price.

In the event the BCC 30% Option and the BCC 20% Option are not exercised simultaneously, the exercise of the BCC 30% Option shall be a condition precedent to the exercise of the BCC 20% Option. The aggregate BCC Shares subject to the foregoing Option grant by the BCC Sellers are herein referred to as the "*BCC Option Shares*." The BCC Option Shares shall be subject to adjustment pursuant to Section 10 below. The "*Expiration Date*" shall be the fifth anniversary of the Closing Date under the Purchase Agreement (subject to adjustment pursuant to Section 4(a) below).

(b) <u>CCR Option</u>. Each CCR Seller hereby grants unto the Optionee:

(i) first, the irrevocable right and option to purchase from such CCR Seller, at any time on or before the Expiration Date, all but not less than all of that number of CCR

Interests set forth opposite such CCR Seller's name in the column "CCR 30% Option" on Exhibit A attached hereto (being equal to ten percent (10%) of the outstanding CCR Interests as of the date of this Agreement, prior to the Transaction, for each CCR Seller, and being equal to a total of thirty percent (30%) of the outstanding CCR Interests as of the date of this Agreement, prior to the Transaction, for the CCR Sellers collectively) (the "*CCR 30% Option*") for the Exercise Price; and

(ii) second, the irrevocable right and option to purchase from such CCR Seller, at any time after the second anniversary of the Closing Date under the Purchase Agreement and on or before the Expiration Date, all but not less than all of that number of CCR Interests set forth opposite such CCR Seller's name in the column "CCR 20% Option" on Exhibit A attached hereto (being equal to six and two-thirds percent (6 2/3%) of the outstanding CCR Interests as of the date of this Agreement, prior to the Transaction, for each CCR Seller, and being equal to a total of twenty percent (20%) of the outstanding CCR Interests as of the date of this Agreement, prior to the Transaction, for the CCR Sellers collectively) (the "*CCR 20% Option*" and, together with the CCR 30% Option, the "*CCR Option*") for the Exercise Price.

In the event the CCR 30% Option and the CCR 20% Option are not exercised simultaneously, the exercise of the CCR 30% Option shall be a condition precedent to the exercise of the CCR 20% Option. The aggregate CCR Interests subject to the foregoing Option grant by the CCR Sellers are herein referred to as the "*CCR Option Interests*." The CCR Option Interests shall be subject to adjustment pursuant to Section 10 below.

(c) Option. The BCC Option Shares and the CCR Option Interests are sometimes herein referred to collectively as the "*Option Shares*". The option rights of Optionee hereunder are sometimes referred to as the "*Option*".

(d) Option Exercise. (i) Optionee must exercise both the BCC 30% Option and the CCR 30% Option simultaneously and in full (collectively, the "*30% Option*"), if it elects to exercise either such option. Optionee may not exercise either the BCC 30% Option or the CCR 30% Option without exercising the other at the same time. In addition, upon any exercise of the BCC 30% Option and the CCR 30% Option, Optionee must exercise such option rights in full and with respect to all the Sellers simultaneously. Optionee may not exercise either the BCC 30% Option or the CCR 30% Option, or both, with respect to any Seller unless it simultaneously exercises such option rights as to all Sellers.

(ii) Optionee must exercise both the BCC 20% Option and the CCR 20% Option simultaneously and in full (collectively, the "*20% Option*"), if it elects to exercise either such option. Optionee may not exercise either the BCC 20% Option or the CCR 20% Option without exercising the other at the same time. In addition, upon any exercise of the BCC 20% Option and the CCR 20% Option, Optionee must exercise such option rights in full and with respect to all the Sellers simultaneously. Optionee may not exercise either the BCC 20% Option or the CCR 20% Option, or both, with respect to any Seller unless it simultaneously exercises such option rights as to all Sellers.

(e) Removal of Personal Guarantees. Upon the exercise of the 30% Option, Optionee and CanAm shall use their good faith efforts to cause all personal guarantees of Sellers of any indebtedness, liabilities, bonds (other than any statutory or regulatory liability or obligation of such Seller by virtue of his status as an owner, director, officer or employee of BCC or CCR, whether in connection with ASMC, ADEM, MSHA or other mining regulatory authority or other law), letters of credit or obligations of any kind relating to BCC or CCR to be removed entirely; provided, however, that in the event Optionee and CanAm are unable to obtain the release or removal of any such personal guarantees of Sellers of any indebtedness, liabilities, bonds, letters of credit or other obligations of BCC or CCR, Optionee and CanAm shall, and shall cause BCC and CCR to, agree to indemnify Sellers with respect to such unreleased personal guaranties; provided, further, however, that nothing in this Section 2(e) shall apply to or have any effect upon any Seller's obligations or liabilities under or with respect to the Purchase Agreement, this Option Agreement or any other agreement entered into by such Seller in connection with the Purchase Agreement or Option Agreement, nor shall this Section 2(e) reduce, eliminate or have any effect upon any Seller's obligations or liability for any breach of contract, breach of fiduciary duty, gross negligence or willful misconduct by such Seller with respect to BCC or CCR or otherwise.

Section 3. Exercise Price.

(a) Exercise Price Calculation. The "Exercise Price" of each Option Share shall be calculated pursuant to this Section 3. All dollar amounts herein shall be United States Dollars unless otherwise expressly provided. The following terms shall have the definitions set forth below:

(i) "*Annual Minimum Value*" means:

(A) $11,500,000, if the applicable Date of Exercise occurs during the one year period ending on (and including) the first anniversary of the Closing Date;

(B) $12,000,000, if the applicable Date of Exercise occurs during the one year period ending on (and including) the second anniversary of the Closing Date;

(C) $12,500,000, if the applicable Date of Exercise occurs during the one year period ending on (and including) the third anniversary of the Closing Date;

(D) $13,000,000, if the applicable Date of Exercise occurs during the one year period ending on (and including) the fourth anniversary of the Closing Date; and

(E) $13,500,000, if the applicable Date of Exercise occurs during the one year period ending on (and including) the fifth anniversary of the Closing Date.

(ii) "*Average Annual EBITDA*" for the Companies shall be calculated by adding the EBITDA of the Companies for each of the twelve fiscal quarters immediately preceding the fiscal quarter in which the Date of Exercise occurs (after applying normal year end adjustments to each of the three trailing four-quarter periods included therein), and dividing the sum thereof by three (3). "*EBITDA of the Companies*" means for any period an amount equal to the Companies' consolidated earnings before interest, Tax, depreciation and amortization, all as calculated in accordance with GAAP.

(iii) The "*Aggregate Exercise Price*" shall be equal to the greater of (A) the amount equal to the Annual Minimum Value in effect for the Date of Exercise, or (B) an amount equal to the product of (I) four times the Average Annual EBITDA of the Companies and (II) fifty percent (50%), provided that if the Sellers' ownership percentages in the Companies shall have been diluted, whether by additional issuance of securities by either Company, disproportionate capital contribution to either Company or otherwise, then the parties agree to negotiate in good faith an appropriate adjustment to the foregoing percentage.

(iv) "*BCC Value Percentage*" means 71%, or such other percentage as the Parties may mutually agree as of any Date of Exercise.

(v) "*CCR Value Percentage*" means 29%, or such other percentage as the Parties may mutually agree as of any Date of Exercise. For avoidance of doubt, for any calculation period, the sum of the BCC Value Percentage and the CCR Value Percentage must equal 100%.

(vi) The "*Aggregate BCC Exercise Price*" shall be equal to the Aggregate Exercise Price multiplied by the BCC Value Percentage.

(vii) The "*Aggregate CCR Exercise Price*" shall be equal to the Aggregate Exercise Price multiplied by the CCR Value Percentage.

(viii) "*Date of Exercise*" means the date on which a closing occurs for the purchase of Option Shares pursuant to any exercise notice given pursuant to Section 4(a).

(b) <u>BCC Option Share Exercise Price</u>. The Exercise Price of each BCC Option Share shall be equal to the result obtained from dividing (i) the Aggregate BCC Exercise Price by (ii) the total number of BCC Option Shares originally subject to this Agreement (prior to any exercise of the Option hereunder), adjusted pursuant to Section 10 hereof, if applicable.

(c) <u>CCR Option Interest Exercise Price</u>. The Exercise Price of each one percent (1%) CCR Option Interest shall be equal to the result obtained from dividing (i) the Aggregate CCR Exercise Price by (ii) the total number of one percent (1%) CCR Option Interests originally subject to this Agreement (prior to any exercise of the Option hereunder) (i.e., fifty (50)), adjusted pursuant to Section 10 hereof, if applicable.

(d) <u>Form of Payment</u>. With respect to each exercise of the Option rights hereunder, the Exercise Price shall be payable in a combination of cash and CanAm Shares, as follows, subject to Section 3(d)(iv) below:

(i) Seventy Percent (70%) of the Exercise Price of each Option Share shall be payable in United States Dollars (the "*Cash Portion of the Exercise Price*"); and

(ii) Thirty Percent (30%) of the Exercise Price of each Option Share shall be payable by the issue and delivery by CanAm of that number of CanAm Shares that is equal to the quotient obtained by converting the Exercise Price per Option Share to Canadian Dollars on the basis of the exchange rate as of the date of the Exercise Notice (the "Canadian Dollar Exercise Price") and then dividing (A) the Canadian Dollar Exercise Price for such Option Share by (B) the Volume Weighted Average Market Price (the "*CanAm Share Portion of the Exercise Price")*, and CanAm agrees to such issuance and delivery of such CanAm Shares subject to Section 3(d)(iv) below. The *"Volume Weighted Average Market Price*" shall be calculated by dividing the total value of the CanAm Shares traded on the TSX Venture Exchange during the twenty (20) trading days immediately preceding (but excluding) the trading day immediately prior to the Date of Exercise by the total number of the CanAm Shares traded on the TSX Venture Exchange during the twenty (20) trading days immediately preceding (but excluding) the trading day immediately prior to the Date of Exercise, in each case as reported by the TSX Venture Exchange.

(iii) Notwithstanding the foregoing, no fractional CanAm Shares shall be issued to any Seller, and the CanAm Share Portion of the Exercise Price which would have been paid with respect to any fraction of a CanAm Share which a Seller would otherwise be entitled pursuant to Section 3(d)(ii) above, shall be paid in lieu of such fraction of a CanAm Share, in cash and included in the Cash Portion of the Exercise Price.

(iv) Notwithstanding the foregoing, the Sellers may request to elect to adjust the percentages set forth in Section 3(d)(i) and (ii) for any exercise of the Option hereunder (or any portion thereof) so that the combination of cash and CanAm Shares paid and delivered in payment of any exercise of the Option may vary from 100% cash and zero CanAm Shares to 70% cash and 30% CanAm Shares, or any other combination in between, so long as the sum of the Cash Portion of the Exercise Price and the CanAm Share Portion of the Exercise Price shall equal 100% of the Exercise Price and so long as the CanAm Share Portion of the Exercise Price does not exceed 30% of the Exercise Price as to any Seller. Notwithstanding the foregoing or anything else in this Agreement to the contrary, at the election of CanAm in its sole discretion, the CanAm Share Portion of the Exercise Price may be reduced to zero and the Cash Portion of the Exercise Price may be increased to 100% of the Exercise Price for the Option Shares to be purchased on such Exercise Date.

Section 3A. Acceleration of Option upon Change in Control.

In the event of a Change in Control (as defined herein) with respect to Optionee or CanAm, any Seller may, by providing written notice to CanAm and Optionee within 30 days after the date the Change in Control occurs (the "*Change in Control Notice*"), cause the Expiration Date, with respect to the Option Shares under the BCC Option and the CCR Option, to accelerate and be amended to become the date that is the one year anniversary of the date the Change in Control Notice is received by CanAm (but not later than the Expiration Date in effect immediately prior to delivery of such notice). Upon delivery of such Change in Control Notice, the BCC Option and CCR Option shall become immediately and fully exercisable by Optionee until such amended Expiration Date and may be exercised by Optionee; provided, that, in the event Optionee elects to exercise the Option in accordance with the terms of this Section 3A, Optionee must exercise the Option as to all Option Shares then subject to the Option (i.e., the 20% Option and, if previously unexercised, the 30% Option) and shall not be permitted to exercise only a portion thereof. For the purposes of this Agreement, "*Change in Control*" shall mean (i) an Ownership Change Event (as defined below) wherein the stockholders of CanAm or Optionee immediately before the Ownership Change Event do not retain immediately after the Ownership Change Event direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of CanAm or Optionee or such other surviving entity (in the case of a merger or consolidation), (ii) the sale, exchange, or transfer of all or substantially all of the assets of CanAm or Optionee to any Person, unless the stockholders of CanAm or Optionee immediately before such transaction own, immediately after such transaction, directly or indirectly, more than fifty percent (50%) of the total combined voting power of the outstanding voting equity interests in such transferee Person, or (iii) a liquidation or dissolution of CanAm or Optionee. An "*Ownership Change Event*" shall be deemed to have occurred if any of the following occurs with respect to CanAm or Optionee: (i) the acquisition, other than from CanAm or Optionee, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934) of beneficial ownership of securities representing more than 50% of the total combined voting power of the then outstanding voting stock of CanAm or Optionee; (ii) a merger, consolidation or other reorganization in which CanAm or Optionee is a party.

Section 4. Option Exercise.

(a) Exercise Notice. Optionee may exercise the 30% Option or the 20% Option, or both, by written notice of the Optionee's intent to exercise the Option (the "*Exercise Notice*"), which Exercise Notice shall specify which of the 30% Option or the 20% Option, or both, that Optionee intends to exercise (the "*Exercised Option*"), delivered to all of the Sellers, sent in accordance with the notice provisions set forth herein, which Exercise Notice shall also include a calculation of the applicable Exercise Price pursuant to the terms of Section 3 above and shall designate the amount of the Cash Portion of the Exercise Price and the CanAm Share Portion of the Exercise Price. The Date of Exercise with respect to the exercise of the Option referenced in the Exercise Notice shall be thirty (30) days after the date the Exercise Notice has been given in accordance with the terms of this Agreement or, if such thirtieth day is not a Business Day, then on the next Business Day thereafter, subject to Section 4(b) below; provided, however, in the event the Exercise Notice is delivered to the Sellers prior to the Expiration Date and the Date of Exercise provided in such Exercise Notice is a date that is after the Expiration Date, the Expiration Date shall be extended to the Date of Exercise. "*Business Day*" means any day that is not a Saturday, Sunday or legal holiday in either Birmingham, Alabama, U.S.A., or Calgary, Alberta, Canada. The BCC Option Shares and CCR Option Interests constituting portions of the Exercised Option are sometimes referred to herein as the "*Exercised BCC Option Shares*" and the "*Exercised CCR Option Interests*", respectively.

(b) Due Diligence. Sellers will permit, and Sellers will cause the Companies to permit, Optionee and representatives of Optionee (including legal counsel and accountants) to have full access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Companies, to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to each Company, including, without limitation, data, reports, employees, employee lists, suppliers, supplier lists, purchasers, purchaser lists, lessors, lessors lists and any other persons or documents relevant for the purpose of Optionee's due diligence review. Optionee shall have the right to conduct such due diligence review before and after delivery of any Exercise Notice through any Date of Exercise. Optionee may cancel any Exercise Notice delivered pursuant to this Agreement by giving written notice (a "*Cancellation Notice*") to Sellers at any time prior to the Date of Exercise contemplated by such Exercise Notice if Optionee is not reasonably satisfied with the results of its continuing business, legal, environmental, and accounting due diligence regarding the Companies and the Option Shares. Upon any such cancellation of an Exercise Notice, Optionee and CanAm shall have no further obligation or liability whatsoever to Sellers with respect to such Exercise Notice or the exercise of option rights referenced therein; provided, however, such Cancellation Notice shall not cancel or terminate Optionee's right to exercise at a later date the Option or Options referenced in such Exercise Notice.

(c) Closing. Unless Optionee has delivered a Cancellation Notice with respect to such exercise, on the Date of Exercise, (i) each Seller will deliver to Optionee the various certificates, instruments and documents referred to in Section 5(b) below, (ii) Optionee will deliver to each Seller the various certificates, instruments, and documents referred to in Section 5(a) below, (iii) BCC Sellers will deliver to Optionee stock certificates representing the Exercised BCC Option Shares, endorsed in blank or accompanied by duly executed assignment documents, (iv) CCR Sellers will deliver to Optionee any certificates representing the Exercised CCR Option Interests, endorsed in blank or accompanied by duly executed assignment documents, or if the Exercised CCR Option Interests are not certificated, assignments of the Exercised CCR Option Interests, in form acceptable to Optionee and its counsel, and (v) Optionee will deliver to each Seller the full Exercise Price due to him for his Exercised Option Shares pursuant to Section 3 above and in accordance with Section 4(d) below.

(d) Payment of Exercise Price. Payment in full to each Seller of the Exercise Price for the Exercised Option Shares being sold by such Seller shall be made by: (i) delivery of cash, by wire transfer or other immediately available funds (to a bank account designated in writing by such Seller at least two (2) Business Days prior to the Exercise Date), in the amount of the Cash Portion of the Exercise Price for such Exercised Option Shares on the Date of Exercise, and (ii) the issuance and delivery by CanAm of certificates representing the CanAm Share Portion of the Exercise Price for such Exercised Option Shares pursuant to Section 3(d) hereof, if any, which certificates shall be delivered within five (5) business days after the Date of Exercise and shall bear the legend(s) set forth in Section 4(e) below.

(e) Legends on CanAm Share Certificates. Each certificate representing a CanAm Share will be imprinted with a legend substantially in the following form:

> "Unless permitted under securities legislation, the holder of this security must not trade the security before _________, 20__"
>
> "Without prior written prior approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the

TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ________, 20__."

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE TRANSFER AGENT OF THE CORPORATION."

"THESE SECURITIES MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES. IF THE CORPORATION IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S AT THE TIME OF TRANSFER, A NEW CERTIFICATE, BEARING NO LEGEND, MAY BE OBTAINED FROM THE TRANSFER AGENT OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION AND THE TRANSFER AGENT OF THE CORPORATION AND, IF SO REQUIRED BY THE TRANSFER AGENT OF THE CORPORATION, AN OPINION OF COUNSEL, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT."

Section 5. Conditions to Closing of Option Exercise.

(a) As a condition to Optionee's right to exercise any portion of the Option on any Date of Exercise:

(i) The Optionee must satisfy those conditions set forth in Section 4 hereof;

(ii) The representations and warranties set forth in Sections 8 and 9 below shall be true and correct in all material respects at and as of the Date of Exercise, except to the extent that such representations and warranties are qualified by the term "material" or contain such terms as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Date of Exercise;

(iii) Each of Optionee and CanAm shall have performed and complied with all of its covenants hereunder in all material respects through the Date of Exercise, except to the extent such covenants are qualified by the term "material" or contain terms such as "Material Adverse Effect" or "Material Adverse Change", in which case Optionee and CanAm shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Date of Exercise;

(iv) No action, suit or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would (A) prevent consummation of the Option exercise or (B) cause the Option exercise to be rescinded following the consummation (and no such injunction, judgment, order, decree, ruling or charge shall be in effect);

(v) Optionee and CanAm shall deliver to Sellers a certificate to the effect that each of the conditions specified in 5(a)(ii)-(iv) above is satisfied in all respects; and

(vi) The Parties shall have received all authorizations, consents and approvals of governments and governmental agencies required for the exercise of the Option and all necessary third party consents;

(b) As a condition to the obligations of Optionee to close on the exercise of the Option pursuant to an Exercise Notice on an Exercise Date:

(i) The representations and warranties by each Seller set forth in Section 7 below shall be true and correct in all material respects at and as of the Date of Exercise, except to the extent that such representations and warranties are qualified by the term "material" or contain such terms as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Date of Exercise;

(ii) Each Seller shall have performed and complied with all of its covenants hereunder in all material respects through the Date of Exercise, except to the extent such covenants are qualified by the term "material" or contain terms such as "Material Adverse Effect" or "Material Adverse Change", in which case each Seller shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Date of Exercise;

(iii) No action, suit or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would (A) prevent consummation of the Option exercise, (B) cause the Option exercise to be rescinded following the consummation, (C) adversely affect the right of Optionee to own any of the Exercised Option Shares, or (D) adversely affect the right of the Companies or any of their

Subsidiaries to own their assets and to operate their businesses (and no such injunction, judgment, order, decree, ruling or charge shall be in effect);

(iv) Each Seller shall deliver to Optionee and CanAm a certificate to the effect that each of the conditions specified in 5(b)(i)-(iii) above is satisfied in all respects;

(v) The Parties shall have received all authorizations, consents and approvals of governments and governmental agencies required for the exercise of the Option and all necessary third party consents, and CanAm shall have received all requisite approvals (including requisite approval from the TSX Venture Exchange and, if applicable, the CanAm shareholders) with respect to the issuance of the CanAm Share Portion of the Exercise Price, if any; and

(vi) Optionee shall have completed, to its sole satisfaction, its due diligence review of the financial condition, assets, liabilities, corporate records, business operations and affairs of the Companies and the Option Shares and any other due diligence investigations in relation to the Companies as Optionee sees fit, with the results of such due diligence being satisfactory to Optionee in its sole discretion.

Section 6. Restrictions on Transfer.

(a) General Restriction. No Seller shall transfer, sell, assign, convey or encumber any of the Option Shares during the term of this Agreement except to Optionee pursuant to this Agreement. Without limiting the generality of the foregoing, no Seller shall grant to any person any option or right to purchase the Option Shares or any interest therein or enter into any agreement to transfer the Option Shares or any of them. Notwithstanding the foregoing, each Seller shall be permitted to transfer his Option Shares to such Seller's Immediate Family Members (as defined below) for estate planning purposes; provided, however, that the Sellers shall be prohibited from transferring any voting rights (and, except upon the death or legal incapacity of such Seller, shall retain and maintain after such transfer all voting rights) associated with the Option Shares other than a transfer of such voting rights to (i) another Seller as trustee pursuant to a Voting Trust Agreement as contemplated below, or (ii) a manager-managed limited liability company for which only the Sellers may serve as managers thereof, or their spouses upon the death or incapacity of the Sellers, and for which only the Sellers or Immediate Family Members may serve as members thereof. Any such transferee of any Option Shares shall agree in writing that such transferee and such Option Shares continue to be subject to the terms of this Agreement. "*Immediate Family Member*" means the spouse, children (natural, adopted and stepchildren), grandchildren and parents of a Seller, or any descendants thereof, respectively, and any trust, limited partnership, corporation or entity created for the sole benefit of any such Immediate Family Members. Any and all Option Shares transferred to Immediate Family Members pursuant to this Section 6(a) shall remain subject to this Option, and, upon the death of the transferring Seller, all such transferred Option Shares shall be subject to the Involuntary Transfer Option set forth in Section 6(b) below as though such Option were first transferred by Seller to such Immediate Family Member upon such Seller's death. No transfer of Option Shares as provided herein shall relieve Seller of any liability for compliance by Seller and such Seller's Immediate Family Member transferees with the terms, conditions and obligations of this Agreement. The parties acknowledge that each of the BCC Sellers may separately enter into (A) a Voting Trust Agreement (the "*Voting Trust Agreement*"), which, in each case, would appoint one or more BCC Sellers as trustee thereof and which, according to the terms and conditions stated therein, permits the transfer of the beneficial ownership of Seller's Option Shares to such Seller's Immediate Family Members for estate planning purposes subject to the terms of the Voting Trust Agreement, this Option Agreement and the Shareholders Agreement. Such Voting Trust Agreement shall at all times provide that any Option Shares acquired by Optionee (or any affiliate, successor or permitted assignee thereof) shall be automatically released from such voting trust upon the closing of such acquisition without the need for any further action by any person or party; or (B) a Manager Managed Limited Liability Company Agreement (the "*Manager Managed LLC Agreement*"), which, in each case, would appoint solely one or more Sellers (or their respective spouses upon the death or incapacity of both Sellers) as manager (a "Manager") thereof and which, according to the terms and conditions stated therein, permit the transfer of the beneficial ownership of such manager managed limited liability company (which shall be owned only by the Sellers and their Immediate Family Members subject to the terms of the Manager Managed LLC Agreement, the Option Agreement and this Agreement. Such Manager Managed LLC Agreement shall at all times provide that any Option Shares acquired by Optionee (or any affiliate, successor or permitted assignee thereof) shall be automatically released from such limited liability company upon the closing of such acquisition without the need for any further action by any person or party. Any and all Option Shares transferred pursuant to this Section 6(a) shall remain subject to this Option, and, upon the death of the transferring Seller, all such transferred Option Shares shall be subject to the Involuntary Transfer Option set forth in Section 6(b) below as though such Option were first transferred by Seller upon such Seller's death. No transfer of Option Shares as provided herein shall relieve Seller of any liability for compliance by Seller and such Seller's Immediate Family Member transferees with the terms, conditions and obligations of this Agreement. The Optionee shall have the right to review any Voting Trust Agreement or Manager Managed LLC Agreement prior to any such transfer of Stock, and at any time thereafter, in order to confirm such agreement's compliance with the terms of this Agreement.

(b) Restrictions on Involuntary Transfer by Operation of Law. Without limiting the restrictions on transfer set forth in this Agreement and without limiting the Optionee's rights under the Option as set forth elsewhere in this Agreement, in the event all or any of the BCC Option Shares or CCR Option Interests or any interest therein are transferred by operation of law to any person other than Optionee (such as, but not limited to, any such transfer as a result of the death of a Seller or to a trustee in bankruptcy, a purchaser and any creditors or court sale, or the guardian or conservator of any of Sellers, or the spouse of a Seller pursuant to a divorce decree) (an "*Involuntary Transfer*"), on the date of such attempted transfer Optionee shall be deemed to have been given (in addition to any other rights or remedies which may be available at law or in equity) for a period of 180 days the right and option to purchase the following: (i) all of the Option Shares that are subject to the 30% Option and the 20% Option, or only all of the Option Shares that are subject to the 30% Option; or (ii) all Option Shares that are subject to the 20% Option if the 30% Option has been previously exercised (in each case, the "*Involuntary Transfer Option*"). In the event Optionee elects not to exercise any portion of the Involuntary Transfer Option, Optionee shall maintain the right and option to exercise each of the 30% Option and the 20% Option in accordance with the terms of this Agreement. In the event Optionee elects to exercise the Involuntary Transfer Option only as to the Option Shares subject to the 30% Option, Optionee shall maintain the right and option to exercise the 20% Option in accordance with the terms of this Agreement. Each Seller hereby agrees that any transferee of BCC Option Shares or

CCR Option Interests resulting from an Involuntary Transfer takes such BCC Option Shares and CCR Option Interests subject to the provisions of this Agreement and this Section 6(b). In the event that Optionee elects not to exercise the Involuntary Transfer Option, such election shall not in any way cancel, terminate, reduce or negatively affect the Optionee's rights to exercise the Option under this Agreement, which Option shall continue in full force and effect in accordance with the terms of this Agreement.

(c) Legends on BCC Option Shares. Each certificate representing a BCC Option Share will be imprinted with a legend substantially in the following form:

> THE SALE, TRANSFER, OR ENCUMBRANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO AN OPTION AGREEMENT AMONG THE CORPORATION AND CERTAIN OF ITS SHAREHOLDERS, EFFECTIVE AS OF MAY 1, 2011, AS THE SAME MAY BE AMENDED FROM TIME TO TIME. A COPY OF THE AGREEMENT IS ON FILE IN THE OFFICE OF THE SECRETARY OF THE CORPORATION. BY ACCEPTING THE SHARES OF STOCK EVIDENCED BY THIS CERTIFICATE, THE HOLDER AGREES TO BE BOUND BY SAID AGREEMENT.

(d) Legends on CCR Interests. In the event CCR Interests are certificated, each certificate representing a CCR Option Interest will be imprinted with a legend substantially in the following form:

> THE SALE, TRANSFER, OR ENCUMBRANCE OF THE INTERESTS REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO AN OPTION AGREEMENT AMONG THE COMPANY AND CERTAIN OF ITS MEMBERS, EFFECTIVE AS OF MAY 1, 2011, AS THE SAME MAY BE AMENDED FROM TIME TO TIME. A COPY OF THE AGREEMENT IS ON FILE IN THE PRINCIPAL OFFICE OF THE COMPANY. BY ACCEPTING THE MEMBERSHIP INTERESTS EVIDENCED BY THIS CERTIFICATE, THE HOLDER AGREES TO BE BOUND BY SAID AGREEMENT.

(e) Each of BCC, CCR and the Sellers agrees (i) that all BCC Option Shares and CCR Option Interests shall be subject to this Agreement and shall have endorsed thereon an endorsement substantially similar to the endorsement contained in Section 6(c) and 6(d) above, (ii) not to transfer, or permit the transfer of, any BCC Option Shares or CCR Option Interests in violation of this Agreement and (iii) to immediately notify Optionee upon the occurrence of any transfer or purported transfer in violation of the restrictions set forth herein.

Section 7. Representations and Warranties of Sellers.

Each Seller represents, warrants and covenants to Optionee and CanAm that the statements contained in this Section 7 are correct and complete as of the date of this Agreement and will be correct and complete as of each Date of Exercise hereunder (as though made then and as though the Date of Exercise were substituted for the date of this Agreement throughout this Section 7) with respect to himself.

(a) Title. Such Seller is the record and beneficial owner of the BCC Option Shares and CCR Option Interests set forth opposite such Seller's name on Exhibit A hereto, free and clear of any restrictions on transfer (other than any restrictions under the Securities Act and state securities laws), Taxes, Liens, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands. Such Seller is not a party to any option, warrant, purchase right, or other contract or commitment (other than this Agreement and the Purchase Agreement) that could require such Seller to sell, transfer, or otherwise dispose of any of the BCC Option Shares or CCR Option Interests. Such Seller is not a party to any voting trust or other agreement or understanding, nor has such Seller granted any proxy, with respect to the voting of any BCC Option Shares or CCR Option Interest, other than the Shareholders' Agreement and the CCR Operating Agreement, respectively.

(b) Authorization, Validity and Enforceability. Such Seller has the full legal right and power and all authority and approval required by Law to enter into this Agreement and to perform his obligations hereunder. Such Seller has duly executed and delivered this Agreement. This Agreement is, and each of the other agreements, documents and instruments contemplated hereby to which such Seller is a party shall be when executed and delivered by such Seller the valid and binding obligations of such Seller enforceable against such Seller in accordance with its terms, except to the extent enforceability is limited by applicable bankruptcy, insolvency and similar laws affecting enforcement of creditors' rights generally, and by laws related to the availability of specific performance, injunctive relief or other equitable remedies. Such Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transaction contemplated by this Agreement.

(c) Non-contravention. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which such Seller is subject, (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which such Seller is a party or by which he is bound or to which any of his assets are subject, or (C) result in the imposition or creation of a Lien upon or with respect to such Seller's Option Shares.

(d) Brokers' Fees. No Seller has any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(e) Investment (U.S.). Each Seller (A) understands that the CanAm Shares to be delivered hereunder in connection with any exercise of the Option, have not been, and will not be, registered under the Securities Act, or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (B) is acquiring the CanAm Shares solely for his own account for investment purposes, and not with a view to the distribution thereof, (C) is a sophisticated investor with knowledge and experience in business and financial matters, (D) has received certain information concerning the Optionee and CanAm and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the CanAm Shares, (E) is able to bear the economic risk inherent in holding the CanAm Shares, and (F) is an "**Accredited Investor**" as such term is defined in Rule 506 of Regulation D of the Securities Act of 1933, as amended (the "**1933 Act**"), for the reasons set forth on **Annex 1** to the Purchase Agreement and has concurrently executed and delivered a U.S. Accredited Investor Certificate in the form attached as **Annex 1** to the Purchase Agreement as well as a Representation letter in the form attached as **Annex 2** to the Purchase Agreement with Appendix A to **Annex 2** completed indicating that the Seller satisfies one of the categories of "accredited investor" set forth in such definition.

(f) Investment (Canada).

(i) Such Seller is, or is deemed to be, acquiring the CanAm Shares to be issued to such Seller hereunder as principal for the Seller's own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the CanAm Shares, such Seller certifies that he is resident in the State of Alabama, and if the Seller is acting as agent or trustee for a principal/beneficial purchaser, such principal/beneficial purchaser is purchasing as principal for its own account, not for the benefit of any other person, for investment only and not with a view to resale or distribution, and is resident in the State of Alabama and such Seller, or the principal/beneficial purchaser, as the case may be, fully complies with the criteria set forth below:

(A) the Seller is an "**Accredited Investor**" as such term is defined in Rule 506 of Regulation D of the Securities Act of 1933, as amended, (the "**1933 Act**") and has concurrently executed and delivered a U.S. Accredited Investor Certificate in the form attached as **Annex 1** to the Purchase Agreement as well as a Representation letter in the form attached as **Annex 2** to the Purchase Agreement with Appendix A to **Annex 2** completed indicating that the Seller satisfies one of the categories of "**accredited investor**" set forth in such definition; and

(ii) Such Seller acknowledges that:

(A) no securities commission or similar regulatory authority has reviewed or passed on the merits of the CanAm Shares; and

(B) there is no government or other insurance covering the CanAm Shares; and

(C) there are risks associated with the purchase of the CanAm Shares; and

(D) there are restrictions on the Seller's ability to resell the CanAm Shares and it is the responsibility of the Seller to find out what those restrictions are and to comply with them before selling the CanAm Shares; and

(E) CanAm has advised such Seller that CanAm is relying on an exemption from the requirements to provide such Seller with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act* (Alberta) and other applicable securities laws and, as a consequence of acquiring the CanAm Shares pursuant to this exemption, certain protections, rights and remedies provided by the *Securities Act* (Alberta) and other applicable securities laws, including statutory rights of rescission or damages, will not be available to such Seller; and

(F) the certificate(s) representing the CanAm Shares will be endorsed by a legend, if applicable, stating that the CanAm Shares will be subject to restrictions on resale in accordance with applicable securities legislation.

Section 8. Representations and Warranties of Optionee.

Optionee represents and warrants to Sellers that the statements contained in this Section 8 are correct and complete as of the date of this Agreement and will be correct and complete as of each Date of Exercise hereunder (as though made then and as though the Date of Exercise were substituted for the date of this Agreement throughout this Section 8).

(a) Organization of Optionee. Optionee is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

(b) Authorization of Transaction. Subject to CanAm's receipt of requisite approvals of the TSX Venture Exchange and Optionee's receipt and CanAm's receipt of any applicable regulatory authorities in Alabama and Canada (including, but not limited to, mining regulatory and securities regulatory authorities) and any required approvals by the shareholders of CanAm, (A) Optionee has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder, (B) this Agreement constitutes the valid and legally binding obligation of Optionee, enforceable in accordance with its terms and conditions, except to the extent enforceability is limited by applicable bankruptcy, insolvency and similar laws affecting enforcement of creditors' rights generally, and by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, (C) Optionee need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement, and (D) the execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by Optionee.

(c) Non-contravention. Subject to CanAm's receipt of requisite approvals of the TSX Venture Exchange and Optionee's receipt and CanAm's receipt of any applicable regulatory authorities in Alabama and Canada (including, but not limited to, mining regulatory and securities regulatory authorities) and any required approvals by the shareholders of CanAm, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Optionee is subject or any provision of its charter, bylaws, or other governing documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Optionee is a party or by which it is bound or to which any of its assets are subject.

(d) Brokers' Fees. Optionee has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which any Seller could become liable or obligated.

(e) Investment. Optionee is not acquiring any of the Option Shares with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act.

Section 9. Representations and Warranties of CanAm.

CanAm represents and warrants to Sellers that the statements contained in this Section 9 are correct and complete as of the date of this Agreement and will be correct and complete as of each Date of Exercise hereunder (as though made then and as though the Date of Exercise were substituted for the date of this Agreement throughout this Section 9).

(a) Organization of CanAm. CanAm is a corporation duly organized and validly subsisting under the laws of Alberta, Canada.

(b) Authorization of Transaction. Subject to CanAm's receipt of requisite approvals of the TSX Venture Exchange and Optionee's receipt and CanAm's receipt of any applicable regulatory authorities in Alabama and Canada (including, but not limited to, mining regulatory and securities regulatory authorities) and any required approvals by the shareholders of CanAm, (A) CanAm has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder, (B) this Agreement constitutes the valid and legally binding obligation of CanAm, enforceable in accordance with its terms and conditions, except to the extent enforceability is limited by applicable bankruptcy, insolvency and similar laws affecting enforcement of creditors' rights generally, and by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, (C) other than filings with the TSX Venture Exchange and the Alberta Securities Commission, CanAm need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement, and (D) the execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by CanAm.

(c) Non-contravention. Subject to CanAm's receipt of requisite approvals of the TSX Venture Exchange and Optionee's receipt and CanAm's receipt of any applicable regulatory authorities in Alabama and Canada (including, but not limited to, mining regulatory and securities regulatory authorities) and any required approvals by the shareholders of CanAm, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which CanAm is subject or any provision of its charter, bylaws, or other governing documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which CanAm is a party or by which it is bound or to which any of its assets are subject.

(d) Brokers' Fees. CanAm has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which any Seller could become liable or obligated.

(e) CanAm Public Record. Other than as disclosed in writing to Sellers, to the knowledge of CanAm, the information and statements set forth in the CanAm Public Record, as relates to CanAm, were true, correct, and complete and did not contain any misrepresentation, as of the respective dates of such information or statements, and no material change has occurred in relation to CanAm which is not disclosed in the CanAm Public Record, and CanAm has not filed any confidential material change reports which continue to be confidential.

Section 10. Antidilution.

(a) Adjustment of BCC Option Shares. In the event that the outstanding BCC Shares are increased, decreased, or changed into or exchanged for a different number or kind of shares or other securities of BCC after the date of this Agreement by reason of merger, consolidation, recapitalization, reclassification, combination of shares, stock split, stock dividend or similar actions, the number of BCC Option Shares, and the exercise price thereof, shall be adjusted appropriately in such manner as is necessary so that Optionee will receive upon exercise of the Option a number and kind of equity interests or other securities that Optionee would have received in respect of such BCC Option Shares upon the occurrence of such event if the Option had been exercised immediately prior to such event or the record date thereof, as applicable.

(b) Adjustment of CCR Option Interests. In the event that the outstanding CCR Interests are increased, decreased, or changed into or exchanged for a different number of kind of membership interests or other securities of CCR after the date of this Agreement by reason of merger, consolidation, recapitalization, reclassification, combination or shares, stock split, stock dividend or similar actions, the number of CCR Option Interests, and the exercise price thereof, shall be adjusted appropriately in such manner as is necessary so that Optionee will receive upon exercise of the Option a number and kind of equity interests or other securities that Optionee would have received in respect of such CCR Option Interests upon the occurrence of such event if the Option had been exercised immediately prior to such event or the record date thereof, as applicable.

Section 11. Remedies; Specific Performance. The Parties acknowledge that the business of the Companies is unique and recognize and affirm that in the event Sellers breach this Agreement, money damages would be inadequate and Optionee would have no adequate remedy at law, so that Optionee shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the other Parties' obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief. In the event it is necessary for a party to seek enforcement of this Agreement, the prevailing party in any such action, whether judicial or arbitral, shall be entitled to recover its reasonable expenses incurred in connection therewith, including, without limitation, attorneys fees and expenses, court costs, arbitrators fees and witness fees.

Section 12. Termination of Agreement. The Option granted under this Agreement shall terminate on the Expiration Date.

Section 13. Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) one (1) business day after being sent to the recipient by facsimile transmission or electronic mail, or (iv) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Sellers:

Robert A. Lewis
912 Edenton Street
Birmingham, Alabama 35242
Tel: (205) 408-5881
Fax: (205) 408-5883

Thomas A. Lewis
912 Edenton Street
Birmingham, Alabama 35242
Tel: (205) 408-5881
Fax: (205) 408-5883

R. Wayne Bass
912 Edenton Street
Birmingham, Alabama 35242
Tel: (205) 408-5881
Fax: (205) 408-5883

With a copy to:
Leitman, Siegal, Payne & Campbell, P.C.
420 20th Street North, Suite 2000
Birmingham, AL 35203
Attn: Hubert G. Taylor, Esq.

If to Optionee:

RADAR USA HOLD CORP.
c/o CanAm Coal Corp.
Suite 1505 – 1800 – 4th Street S.W.
Calgary, AB T2S 2S5
Attn: Tim Bergen
Tel: (403) 262-3797
Fax: (403) 262-3794

With a copy to:

Bradley Arant Boult Cummings LLP
1819 5th Avenue North
Birmingham, AL 35203
Attn: Tracy M. Thompson, Esq.

If to CanAm:

CanAm Coal Corporation
Suite 1505-1800 4th Street S.W.
Calgary, AB T2S 2S5
Attn: Tim Bergen
Tel: (403) 262-3797
Fax: (403) 262-3794

With a copy to:

Bradley Arant Boult Cummings LLP
1819 5th Avenue North
Birmingham, AL 35203
Attn: Tracy M. Thompson, Esq.

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

Section 14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to principles governing conflicts of laws. Any invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 15. Binding Effect; Successors and Assigns; Assignment. This Agreement shall be binding upon and shall inure to the benefit of each of the Parties hereto and their respective successors, permitted assigns, executors, administrators, personal representatives, legal representatives, heirs, devisees and successors in interest. Notwithstanding the foregoing, no Seller may assign either this Agreement or any of his, her or its rights, interests or obligations hereunder without the prior written approval of the Optionee and CanAm. Optionee may assign any or all of its rights, interests or obligations hereunder to one or more of its Affiliates and designate one or more of its Affiliates to perform its obligations hereunder.

Section 16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and such counterparts shall, together, constitute and be one and the same instrument.

Section 17. Gender. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

Section 18. Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of Optionee, CanAm and Sellers; *provided, however*, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly traded securities.

Section 19. No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 20. Headings, Etc., No Part of Agreement. Headings of Sections hereof are inserted for convenience and references, they constitute no part of the Agreement.

Section 21. Entire Agreement. This Agreement (including the documents referred to herein, including without limitation the Purchase Agreement) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

Section 22. Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Optionee, CanAm and Sellers. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such default, misrepresentation, or breach of warranty or covenant.

Section 23. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 24. Expenses. Each of Optionee, CanAm and each Seller shall bear his, or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 25. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

Section 26. Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

Section 27. Binding Arbitration.

(a) Subject to Section 11, UNLESS THIS AGREEMENT SPECIFICALLY PROVIDES FOR ANOTHER TYPE OF DISPUTE RESOLUTION WITH RESPECT TO A PARTICULAR KIND OF DISPUTE, ANY AND ALL CONTROVERSIES AND CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY THEREOF, SHALL BE EXCLUSIVELY SETTLED BY FINAL AND BINDING ARBITRATION IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN THIS SECTION 27.

(b) The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("*AAA*") then in effect (the "*Rules*"), except as set forth herein. The Sellers, on the one hand, and Optionee and CanAm, on the other hand, may demand arbitration by giving the other written notice to such effect in accordance with the Rules.

(c) The arbitration will be held before a panel of three (3) neutral arbitrators. Within thirty (30) days after the other Party's receipt of the demand for arbitration, the Sellers and Optionee and CanAm will mutually determine who the arbitrators will be. If the Parties are unable to agree on the arbitrators within that time period, the arbitrators will be selected by the AAA in accordance with the listing, striking and ranking procedure in the Rules, with each Party being given a limited number of strikes, except for cause. Any arbitrator appointed by the AAA shall be a retired judge or a practicing attorney with no less than fifteen (15) years of experience with large commercial cases and an experienced arbitrator. Any such arbitration proceedings shall be and remain confidential. The place of arbitration shall be Birmingham, Alabama.

(d) The arbitrators shall not have the authority to modify any provision of this Agreement. The decisions of, and award rendered by, the arbitrator(s) will be final and binding on the Parties, will be in writing and will include the findings of fact and conclusions of law upon which it is based. Judgment on the award may be entered in and enforced by any court of competent jurisdiction.

(e) The Parties specifically acknowledge that this Agreement evidences a transaction involving, affecting, affected by, and a part of, interstate commerce and that this agreement to arbitrate is governed by and enforceable under the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq.

(f) In the event any dispute among the Parties arising out of or relating to this Agreement is not arbitrable, each of the Parties submits to the jurisdiction of any federal court sitting in Jefferson County, Alabama, or, if such federal court does not have and cannot obtain jurisdiction, then any state court located in Shelby County, Alabama, with respect to such actions or proceedings as are not arbitrable or which arise under Section 11 hereof, and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court. Each Party also agrees not to bring any such action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 13 above. Nothing in this Section 27, however, shall affect the right of any Party to serve legal process in any other manner permitted by law or at equity. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity.

[Signature pages follow.]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties effective as of the date first set forth above.

OPTIONEE:
RADAR USA HOLD CORP.

By: *(signed) "Tim Bergen"*
Name: Timothy Bergen
Its: President

CANAM:
CANAM COAL CORP.

By: *(signed) "Tim Bergen"*
Name: Timothy Bergen
Its: Chief Executive Officer

SELLERS:

(signed) "Robert A. Lewis"
Robert A. Lewis

(signed) "Thomas A. Lewis"
Thomas A. Lewis

(signed) "R. Wayne Bass"
R. Wayne Bass

BCC:
BIRMINGHAM COAL & COKE COMPANY, INC.

By: *(signed) "Robert A. Lewis"*
Name: Robert A. Lewis
Its: President

CCR:
CAHABA CONTRACTING & RECLAMATION, L.L.C.

By: *(signed) "Thomas A. Lewis"*
Name: Thomas A. Lewis
Its: Member

Exhibit A

Table summarizing ownership of Birmingham Coal & Coke Company, Inc. and membership interests of Cahaba Contracting & Reclamation, LLC - Redacted