EASTCOAL INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

EastCoal Inc. (the "**Company**")
#501 - 595 Howe Street
Vancouver, BC
V6C 2T5

2. Date of Material Change

May 31, 2012

3. News Release

News releases disclosing the material changes were issued through Marketwire in Vancouver, British Columbia, on May 15, 2012, May 24, 2012 and two news releases on May 31, 2012, all of which have been filed on SEDAR.

4. Summary of Material Change

The Company is pleased to announce the closing of its previously announced private placement of 48,600,000 units of the Company at a price of C$0.35 per unit for aggregate gross proceeds of C$17,010,000. The offering was undertaken by a syndicate of agents co-led by Clarus Securities Inc. and Cenkos Securities Plc, and including Fraser Mackenzie Limited, Jennings Capital Inc. and Salman Partners Inc.

Each unit consisted of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of C$0.55 until May 31, 2015. All securities issued in connection with the offering are subject to a four month and one day hold period which expires on October 1, 2012.

In addition, the Company is pleased to announce that pursuant to a Share Purchase Agreement (the "**Share Purchase Agreement**") with Aponet Enterprises Ltd. for the sale and purchase of 100% of the charter capital of Inter-Invest Ugol Ltd., it has completed the acquisition of the Menzhinsky Coal Mine in Ukraine. Details of the Share Purchase Agreement can be found in a news release of the Company dated April 13, 2012.

On May 4, 2012, the Company received approval of the Anti- Monopoly Committee of Ukraine for the transaction and on May 31, 2012, the Company received final approval for the transaction from the TSX Venture Exchange.

5.1 **Full Description of Material Change**

See attached news releases dated May 15, 2012, May 24, 2012 and two news releases dated May 31, 2012.

5.2 **Disclosure for Restructuring Transactions**

Not applicable.

6. **Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officers**

For further information about these material changes, please contact, George Lawton, Chief Financial Officer and Corporate Secretary, telephone (604) 681-8069.

9. **Date of Report**

DATED at Vancouver, British Columbia, this 31st day of May 2012.

Suite 501 – 595 Howe Street
Vancouver, B.C. V6C 2T5
Phone: (604) 681-8069 • Fax: (604) 685-4675
www.eastcoal.ca *e-mail:* info@eastcoal.ca

NEWS RELEASE – MAY 15, 2012

EASTCOAL INC. ANNOUNCES UP TO C$17,010,000 PRIVATE PLACEMENT

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT AUTHORIZED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

EastCoal Inc. (TSX-V:ECX) (the "Company") is pleased to announce that it entered into an agreement with Clarus Securities Inc. and Cenkos Securities Plc as co-lead agents on behalf of a syndicate of agents (collectively, the "Agents") to proceed with a private placement offering of up to 48,600,000 units of the Company at a price of C$0.35 per unit, for aggregate gross proceeds of up to C$17,010,000. Each unit will consist of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of C$0.55 for a period of 36 months following the closing date.

In the event that after four months and one day after the closing, the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange, for a period of 20 consecutive trading days equals or exceeds C$0.80, the Company may, within five days after such an event, provide notice to the warrant holders of early expiry of the warrants. In the event that the warrant holders do not exercise their warrants within 30 days after the date of the notice to the warrant holders, the unexercised warrants shall automatically lapse and cease to be exercisable.

The Company intends to use the net proceeds of the offering to acquire the Menzhinsky mine, develop the Company's properties and for general corporate purposes.

The offering is scheduled to close on or about May 25, 2012 and is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange. The units to be issued under the offering will be offered in all the provinces of Canada by way of private placement exemptions, and offshore, including in the United Kingdom, pursuant to applicable exemptions.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

By Order of the Board,

John Byrne, Chairman and CEO

About EastCoal Inc.

The Company is focused on the Donbass coal basin of Ukraine which has large coal reserves and excellent prospects.

EastCoal Inc. is currently developing its 100% owned Verticalnaya anthracite mine.

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance. There are numerous risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking information. These and all subsequent written and oral forward-looking information are based on estimates and opinions on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, EastCoal assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

For more information please contact:

Abraham Jonker, President or George Lawton, CFO
EastCoal Inc.
(604) 681-8069
(604) 685-4675 (FAX)
www.eastcoal.ca

EastCoal Inc

Suite 501 – 595 Howe Street
Vancouver, B.C. V6C 2T5
Phone: (604) 681-8069 • Fax: (604) 685-4675
www.eastcoal.ca *e-mail:* info@eastcoal.ca

NEWS RELEASE – MAY 24, 2012

EASTCOAL INC. ANNOUNCES THAT C$17,010,000 PRIVATE PLACEMENT IS FULLY ALLOCATED

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT AUTHORIZED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

EastCoal Inc. (TSX-V:ECX) (the "Company") is pleased to announce that the private placement financing previously announced on May 15, 2012 is fully allocated. The Company expects to raise gross proceeds of C$17,010,000 through the issuance of units on a "best efforts basis" at a price of C$0.35 per unit. Each unit will consist of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of C$0.55 for a period of 36 months following the closing date.

In the event that after four months and one day after the closing, the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange, for a period of 20 consecutive trading days equals or exceeds C$0.80, the Company may, within five days after such an event, provide notice to the warrant holders of early expiry of the warrants. In the event that the warrant holders do not exercise their warrants within 30 days after the date of the notice to the warrant holders, the unexercised warrants shall automatically lapse and cease to be exercisable.

Proceeds from the offering will be used to acquire the Menzhinsky mine, develop the Company's properties and for general corporate purposes.

The offering is scheduled to close on or about May 30, 2012 and is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

By Order of the Board,

John Byrne, Chairman and CEO

About EastCoal Inc.

The Company is focused on the Donbass coal basin of Ukraine which has large coal reserves and excellent prospects.

EastCoal Inc. is currently developing its 100% owned Verticalnaya anthracite mine.

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance. There are numerous risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking information. These and all subsequent written and oral forward-looking information are based on estimates and opinions on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, EastCoal assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

For more information please contact:

Abraham Jonker, President or George Lawton, CFO
EastCoal Inc.
(604) 681-8069
(604) 685-4675 (FAX)
www.eastcoal.ca

NEWS RELEASE – MAY 31, 2012

EASTCOAL INC. CLOSES C$17,010,000 PRIVATE PLACEMENT

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT AUTHORIZED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

EastCoal Inc. (TSX-V:ECX) (the "Company") is pleased to announce the closing of its previously announced private placement of 48,600,000 units of the Company at a price of C$0.35 per unit for aggregate gross proceeds of C$17,010,000. The offering was undertaken by a syndicate of agents co-led by Clarus Securities Inc. and Cenkos Securities Plc, and including Fraser Mackenzie Limited, Jennings Capital Inc. and Salman Partners Inc.

Each unit consisted of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of C$0.55 until May 31, 2015. All securities issued in connection with the offering are subject to a four month and one day hold period which expires on October 2, 2012.

In the event that after four months and one day after the closing, the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange, for a period of 20 consecutive trading days equals or exceeds C$0.80, the Company may, within five days after such an event, provide notice to the warrant holders of early expiry of the warrants. In the event that the warrant holders do not exercise their warrants within 30 days after the date of the notice to the warrant holders, the unexercised warrants shall automatically lapse and cease to be exercisable.

The net proceeds of the offering will be used by the Company to acquire the Menzhinsky mine, develop the Company's properties and for general corporate purposes.

As compensation for the services they rendered in connection with the offering, the agents received a cash commission in the aggregate amount of C$1,020,600 and an aggregate of 2,916,000 non-transferable broker warrants of the Company, with each broker warrant entitling the holder thereof to purchase one common share of the Company at a price of C$0.35 at any time until May 31, 2015.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

The Company is filing the Amended Technical Report of the Menzhinsky Coal Mine, Lugansk Oblast, Ukraine dated May 9, 2012 with the securities commissions and a copy of the report will be filed on SEDAR at www.sedar.com.

By Order of the Board,

John Byrne, Chairman and CEO

About EastCoal Inc.

The Company is focused on the Donbass coal basin of Ukraine which has large coal reserves and excellent prospects.

EastCoal Inc. is currently developing its 100% owned Verticalnaya anthracite mine.

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance. There are numerous risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking information. These and all subsequent written and oral forward-looking information are based on estimates and opinions on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, EastCoal assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

For more information please contact:

Abraham Jonker, President or George Lawton, CFO
EastCoal Inc.
(604) 681-8069
(604) 685-4675 (FAX)
www.eastcoal.ca

Suite 501 – 595 Howe Street
Vancouver, BC V6C 2T5
Tel: (604) 681-8069
Fax: (604) 685-4675

NEWS RELEASE – MAY 31, 2012

EASTCOAL INC. ANNOUNCES ACQUISITION OF MENZHINSKY MINE AND GRANT OF OPTIONS

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT AUTHORIZED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

EastCoal Inc. (TSX-V:ECX) (the "**Company**") is pleased to announce that pursuant to a Share Purchase Agreement (the "**Share Purchase Agreement**") with Aponet Enterprises Ltd. for the sale and purchase of 100% of the charter capital of Inter-Invest Ugol Ltd., it has completed the acquisition of the Menzhinsky Coal Mine in Ukraine ("**Menzhinsky Mine**"). Details of the Share Purchase Agreement can be found in a news release of the Company dated April 13, 2012.

On May 4, 2012, the Company received approval of the Anti- Monopoly Committee of Ukraine for the transaction and on May 31, 2012, the Company received final approval for the transaction from the TSX Venture Exchange ("**TSX-V**").

In addition, the Company announces that pursuant to its stock option plan and subject to approval by the TSX-V, it has granted 3.5 million options to directors and officers of the Company. These options will have an exercise price of $0.41 per share and will vest immediately on the date of grant. These options will expire on May 31, 2017.

By Order of the Board,

John Byrne, Chairman and CEO

About EastCoal Inc.

EastCoal Inc. is focused on the Donbass coal basin of Ukraine which has large coal reserves and excellent prospects.

EastCoal Inc. is currently developing its 100% owned Verticalnaya anthracite mine and Menzhinsky mine.