**Form 51-102F3**
**MATERIAL CHANGE REPORT**

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

ROYAL COAL CORP. (the "Company")
70 York Street, Suite 1410
Toronto, ON M5J 1S9

2. **Date of Material Change.**

November 1, 2010.

3. **News Release.**

A press release disclosing the material change was released on November 1, 2010, through the facilities of Marketwire.

4. **Summary of Material Change.**

The Company has completed the previously announced issuance of notes to Juno Special Situations Corporation ("**Juno**") in the aggregate principal amount of US$2,000,000 for an aggregate purchase price of US$2,000,000, all pursuant to the terms of the note purchase agreement dated September 30, 2009 between the Company and Juno. The Company also announced it has entered into new royalty arrangements with third parties to provide additional operating capital to the Company of US$1,500,000.

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

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

A full description of the material change is contained under Item 4.

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

The report is not being filed on a confidential basis.

7. **Omitted Information.**

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

8. **Executive Officer.**

Jim O'Neill, Chief Financial Officer

9. **Date of Report.**

This report is dated at Toronto, this 10th day of November, 2010.

**ROYAL COAL CORP.**

Per: *"Jim O'Neill" (signed)*
Jim O'Neill, CFO

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**SCHEDULE "A"**

## ROYAL COAL CORP. ANNOUNCES ISSUANCE OF ADDITIONAL NOTES (SECOND TRANCHE) AND ROYALTY ARRANGEMENT

**FOR IMMEDIATE RELEASE**

Toronto, Ontario – November 1, 2010 – Royal Coal Corp. (TSX-V:RDA) ("Royal Coal" or the "Company") announces that it has completed the previously announced issuance of notes to Juno Special Situations Corporation ("Juno") in the aggregate principal amount of US$2,000,000 for an aggregate purchase price of US$2,000,000, all pursuant to the terms of the note purchase agreement dated September 30, 2009 (as subsequently amended from time to time, the "Purchase Agreement") between the Company and Juno. The first US$1,000,000 in notes was issued as announced in the news release dated September 10, 2010 and the second US$1,000,000 in notes was issued effective October 29, 2010. The proceeds of the note issuance will be used to fund the Company's ongoing coal mining operations. As previously announced, Juno received all amounts loaned to the Company pursuant to the Purchase Agreement from an unrelated lender (the "Third Party Lender") for the sole purpose of re-lending the funds to the Company on the same terms provided to Juno by the Third Party Lender. The Company remains a guarantor of Juno's debt obligations to the Third Party Lender, in respect of which the Company has granted a general security interest over its assets. As a result of the above note issuance, Juno will pay an over-advance fee of US$122,418 to the Third Party Lender, which amount the Company shall reimburse to Juno.

In connection with the Purchase Agreement, the Company and Juno entered into a royalty agreement dated as of September 30, 2009 providing for, among other things, the payment to Juno of a US$2.00 per ton royalty interest (the "Royalty Interest"). The Royalty Interest is capped at the amount of indebtedness under the Purchase Agreement, which will be increased by US$2,000,000 as a result of the issuance of the additional notes described above. Juno is obligated to pay the Royalty Interest received from the Company over to the Third Party Lender.

The Company also announces it has entered into new royalty arrangements with third parties (the "Payees") to provide additional operating capital to the Company of US$1,500,000 (the "Royalty Proceeds"). Subject to the terms of this new royalty arrangement, the Company will pay to the Payees an aggregate royalty equal to US$1.50 for each short ton of coal mined, removed, and sold from the Company's Big Branch and Sid Mining Projects (the "Mines"), until the Payees have been paid an aggregate amount equal to two times the amount of the Royalty Proceeds, and thereafter, US$0.60 for each short ton of coal mined, removed, and sold from the Mines.

The Company, Juno and the Third Party Lender have agreed to amend the note purchase agreement dated September 30, 2009 between Juno and the Third Party Lender (the "Third Party Loan") and the corresponding Purchase Agreement between the Company and Juno to waive certain covenants that were not achieved by the Company and establish updated financial and production covenants. In connection with the waiver and amendment (i) a cash waiver fee of US$100,000 was paid by Juno to the Third Party Lender, which amount the Company shall reimburse to Juno, plus (ii) additional notes in the amount of US$200,000 were issued by Juno to the Third Party Lender under the Third Party Loan and corresponding notes in the amount of US$200,000 were issued by the Company to Juno under the Purchase Agreement.

**About Royal Coal**

Royal Coal is a coal exploration and production company, headquartered in Toronto, Ontario, Canada with a regional office in Hazard, Kentucky, U.S.A. whose primary business focus is developing producing surface coal mining operations in the Central Appalachian coal producing region of the United States, which includes parts of West Virginia, Virginia, Kentucky, Ohio, and Tennessee.

For further information contact Tom Griffis, Chairman of Royal Coal, at (416) 861-8775.

***Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. The forward-looking statements contained in this press release are made as of the date hereof and Royal Coal undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.***