



# Corsa Coal Corp. Investor Presentation March 2021





# Forward Looking Information and Statements



TSX-V: CSO | OTCQX: CRSXF

Certain information set forth in this Presentation contains “forward-looking statements” and “forward-looking information” (collectively, “forward-looking statements”) under applicable securities laws. Except for statements of historical fact, certain information contained herein relating to price volatility of the metallurgical coal market, the future demand for metallurgical coal and the availability of its supply constitutes forward-looking statements which include management’s assessment of future plans and operations and are based on current internal expectations, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “will”, “estimates”, “expects”, “anticipates”, “believes”, “projects”, “plans”, “capacity”, “hope”, “forecast”, “anticipate”, “could” and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties. These risks and uncertainties include, but are not limited to: changes in market conditions, governmental or regulatory developments as a result of the COVID-19 pandemic or otherwise, the operating status and capabilities of our customers and competitors; various events which could disrupt operations and/or the transportation of coal products, including labor stoppages, the outbreak of disease and severe weather conditions; and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements. Corsa does not undertake to update any of the forward-looking statements contained in this Presentation unless required by law. The statements as to Corsa’s capacity to produce coal are no assurance that it will achieve these levels of production or that it will be able to achieve these sales levels.

# Additional Information



TSX-V: CSO | OTCQX: CRSXF

## Non-GAAP Measures

Management uses realized price per ton sold, cash production cost per ton sold, cash cost per ton sold, cash margin per ton sold, EBITDA and adjusted EBITDA as internal measurements of financial performance for Corsa's mining and processing operations. These measures are not recognized under International Financial Reporting Standards ("GAAP"). Corsa believes that, in addition to the conventional measures prepared in accordance with GAAP, certain investors and other stakeholders also use these non-GAAP financial measures to evaluate Corsa's operating and financial performance; however, these non-GAAP financial measures do not have any standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Accordingly, these non-GAAP financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Reference is made to the management's discussion and analysis for the three months and full year ended December 31, 2020 for a reconciliation and definitions of non-GAAP financial measures to GAAP measures.

Corsa defines adjusted EBITDA as EBITDA (earnings before deductions for interest, taxes, depreciation and amortization) adjusted for change in estimate of reclamation provision for non-operating properties, impairment and write-off of mineral properties and advance royalties, gain (loss) on sale of assets and other costs, stock-based compensation, non-cash finance expenses and other non-cash adjustments. Adjusted EBITDA is used as a supplemental financial measure by management and by external users of our financial statements to assess our performance as compared to the performance of other companies in the coal industry, without regard to financing methods, historical cost basis or capital structure; the ability of our assets to generate sufficient cash flow; and our ability to incur and service debt and fund capital expenditures.

## Other Matters

Unless otherwise noted, all dollar amounts in this presentation are expressed in United States dollars and all ton amounts are short tons (2,000 pounds per ton). Pricing and cost per ton information is expressed on a free-on-board, or FOB, mine site basis, unless otherwise noted.

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The current COVID-19 pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown, and rapidly evolving. Given the extreme volatility in financial markets and commodity prices, along with uncertainty regarding the impact thereof on the performance of the Company, the Company does not believe it is appropriate to issue full year guidance at this time for fiscal 2021 or to provide additional forward-looking information. The Company will continue to evaluate events and circumstances and will provide guidance and other forward-looking information when appropriate and as information is available.

Other than as otherwise described on slide 13, all scientific and technical information contained in this news release has been reviewed and approved by Peter V. Merritts, Professional Engineer and the Company's CEO, who is a qualified person within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

# Corsa Coal Overview



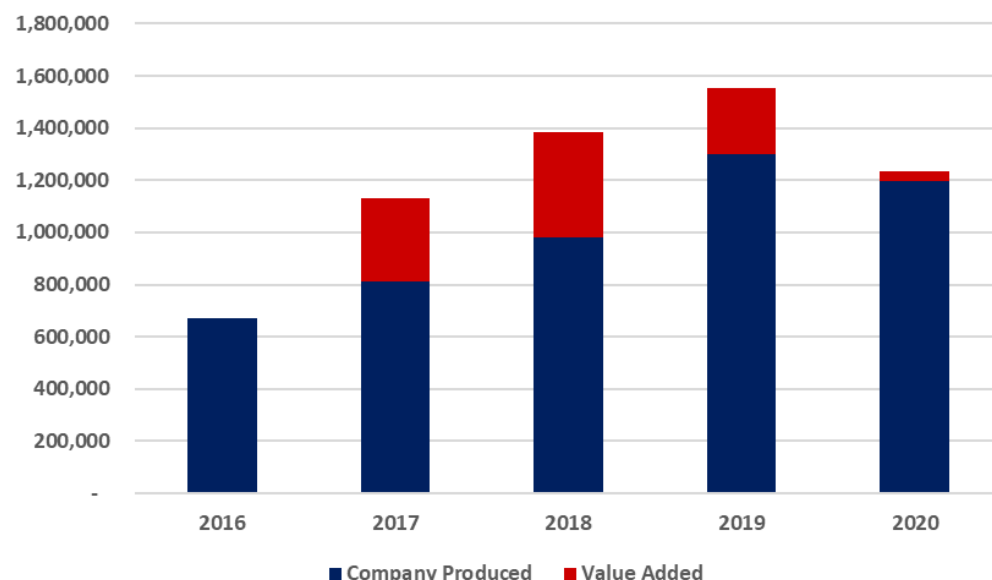
TSX-V: CSO | OTCQX: CRSXF

- **Pure play** metallurgical coal producer (no thermal coal) with significant leverage to metallurgical coal prices
  - **2016-2020: 105% growth** in metallurgical coal sales
- **Active Operations:** 3 deep mines, 2 surface mines, located in PA and MD
- **Customers:** Integrated steel and coke producers



<u>Metallurgical Coal Sales</u>	<u>2020</u>	<u>2019</u>
Low Vol Sales Tons (margin generating)	1.235 million	1.552 million
Sales & Trading Tons (pass-through)	0.137 million	0.281 million
<b>Total Metallurgical Sales Tons</b>	<b>1.372 million</b>	<b>1.833 million</b>
Mix: % Domestic Total (Low Vol)	32% (36%)	30% (37%)
Mix: % Export Total (Low Vol)	68% (64%)	70% (63%)

## Low Vol Metallurgical Sales



## High Quality Ownership

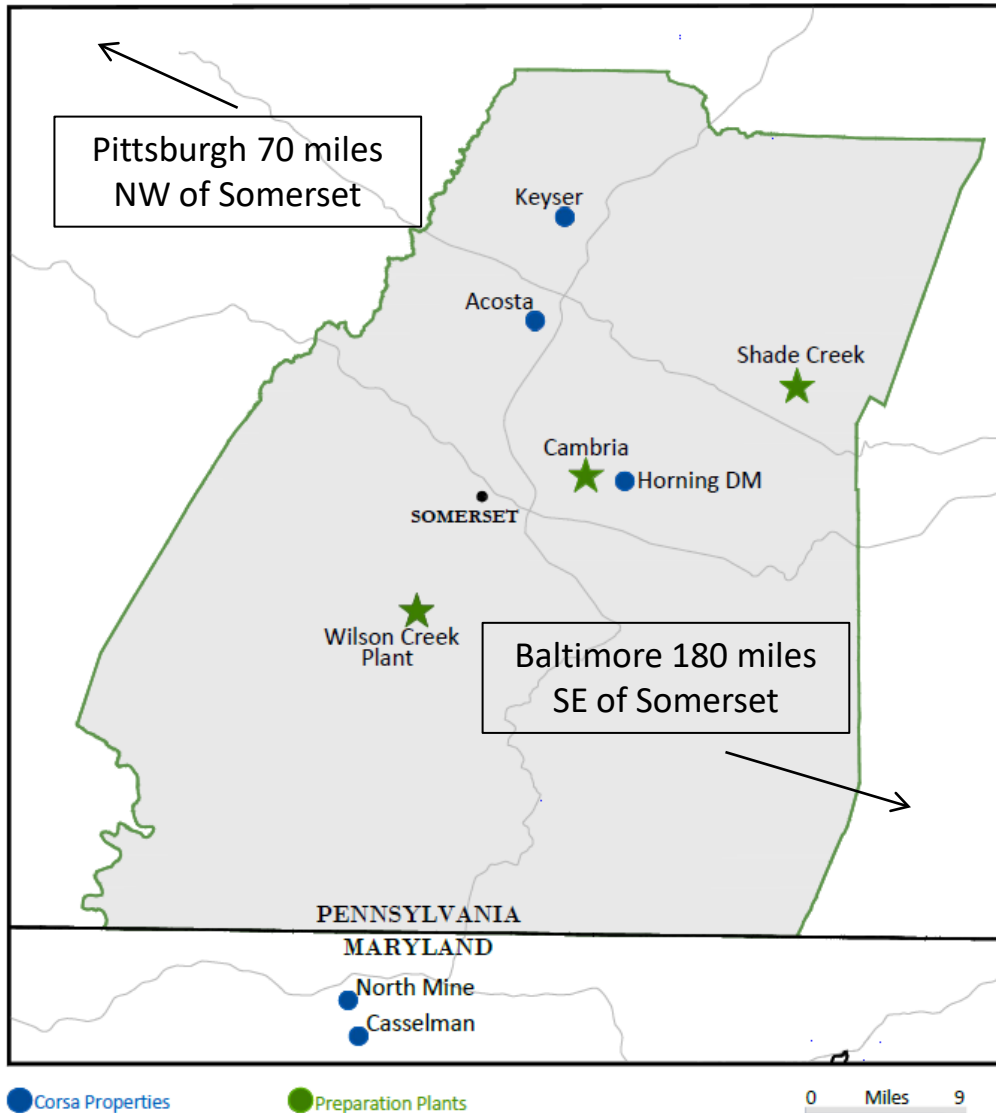
- **Quintana Capital Group (45% fully diluted)**
  - Quintana affiliates are the largest owners of coal reserves in the United States
- **Sevens Met Coal Corp. (16% fully diluted)**
- **Family of Lukas Lundin (15% fully diluted)**
  - Highly successful mining and oil & gas investor

**Market Cap: \$24 million <sup>(1)</sup>**  
**Enterprise Value: \$38 million <sup>(1)</sup>**

(1) As of February 26, 2021

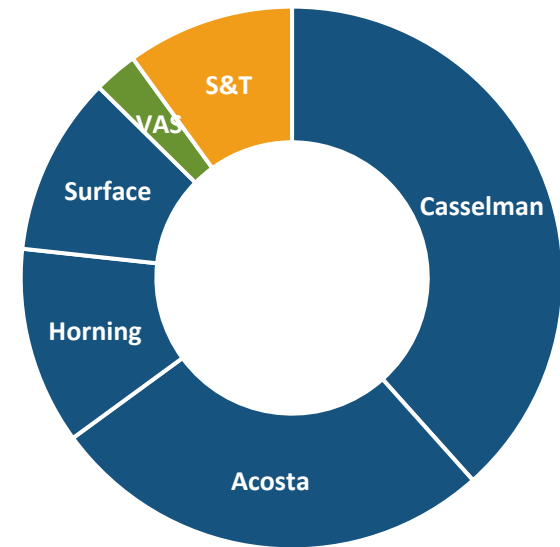
# NAPP Division Overview

## NAPP Division Operating Locations



## Producer-Trader Model

- Corsa reported 2020 sales of 1.372 million tons



Company Mine  
(Produced)

Value Added Services  
(Purchased)

Sales & Trading  
(Purchased)

## Infrastructure

- Up to 4 million clean tons per year of processing plant capability
- Three preparation plants with refuse disposal sites and rail loadouts
  - Cambria Preparation Plant (CSX)
  - Shade Creek Preparation Plant (NS)
  - Rockwood Preparation Plant (CSX) (*Plant currently idle*)

# Corsa Coal Revenue Streams



TSX-V: CSO | OTCQX: CRSXF

	Low Vol Met Coal	Margin Generating	Passes through Prep Plants
<b>1.</b>	<b>Company Produced Tons</b> Definition: Coal that we mine from our operational sites and sell to customers.	% of 2020 Tons Sold: 87% % of 2020 Gross Margin: 96%  % of 2019 Tons Sold: 71% % of 2019 Gross Margin: 87%	
<b>2.</b>	<b>Value Added Services Tons</b> Definition: Coal that we purchase locally on a raw basis and wash, store, blend and load. Placed on existing Corsa sales orders.	% of 2020 Tons Sold: 3% % of 2020 Gross Margin: 4%  % of 2019 Tons Sold: 14% % of 2019 Gross Margin: 13%	

	High Vol Met Coal	Pass-through Profitability	Purchased from 3 <sup>rd</sup> Parties
<b>3.</b>	<b>Sales &amp; Trading Tons</b> Definition: Coal purchased typically from the Central Appalachia region on a finished basis and blended at the port for export customers. Coal blends create customized products to meet customer needs.	% of 2020 Tons Sold: 10% % of 2020 Gross Margin: 0%  % of 2019 Tons Sold: 15% % of 2019 Gross Margin: 0%	

Source: Company filings

# Revenue Stream 1: Company Produced Tons

**Corsa's mines produced 1.355 million tons in 2019 and 1.192 million tons in 2020**



**Casselman**

**2020: 524,000 tons**  
**2019: 635,000 tons**  
**Reserves: 2.6 million tons<sup>(1)</sup>**



**Acosta**

**2020: 362,000 tons**  
**2019: 401,000 tons**  
**Reserves: 14.9 million tons<sup>(1)</sup>**



**Horning**

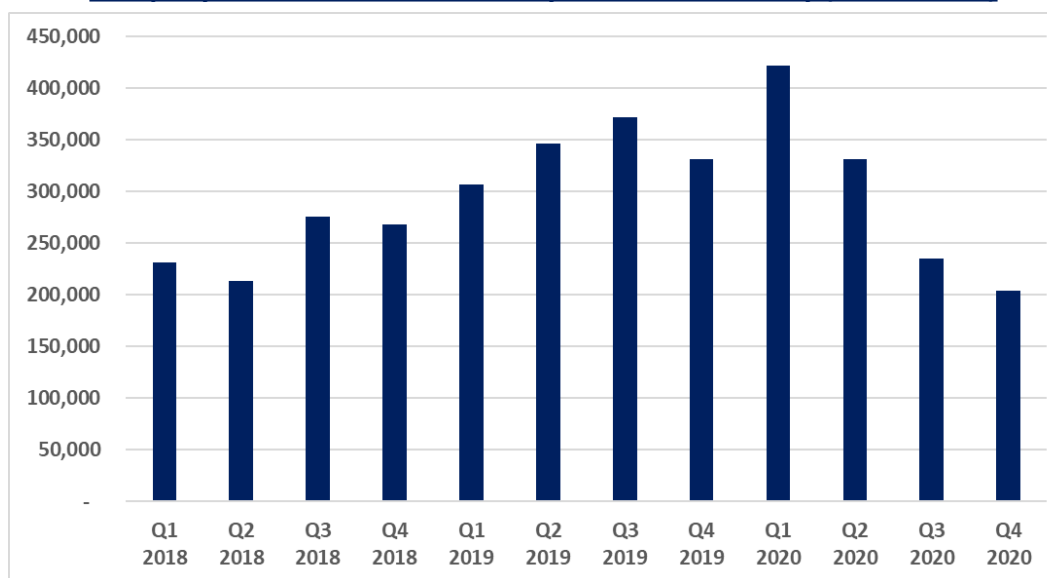
**2020: 160,000 tons**  
**2019: 181,000 tons**  
**Reserves: 0.5 million tons<sup>(1)</sup>**



**Surface Mines**

**2020: 146,000 tons**  
**2019: 138,000 tons**  
**Reserves: 1.8 million tons<sup>(1)</sup>**

**Company Produced Tons: Quarterly Production History (2018 –2020)**

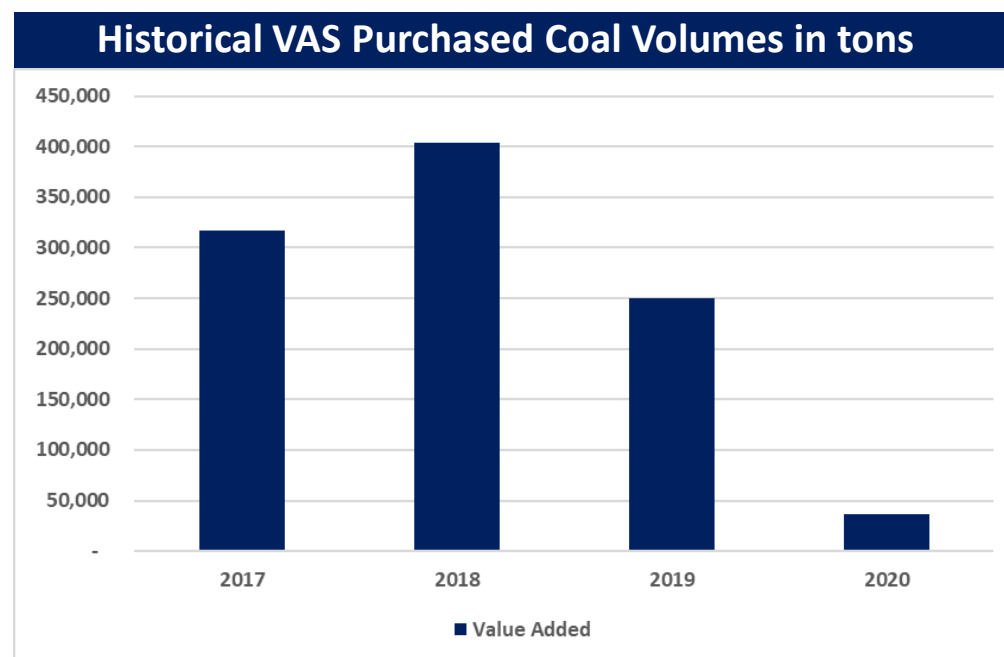


Source: Company filings

(1) Reserves are based on the Technical Report dated December 31, 2020. See slide 13.

## Revenue Stream 2: Value Added Services Tons

- Value Added Services (VAS) initiative was launched in October 2016.
- VAS tons are comprised of local, third-party tons purchased on a raw basis and trucked to Corsa's preparation plants.
- Corsa takes title to the coal and ships the coal on Corsa sales orders.
- VAS tons can be purchased for both financial and quality reasons. Provides exposure to the export market for Corsa's suppliers.
- Increased volume through the preparation plants absorbs fixed costs and lowers per unit costs.



Source: Company filings.

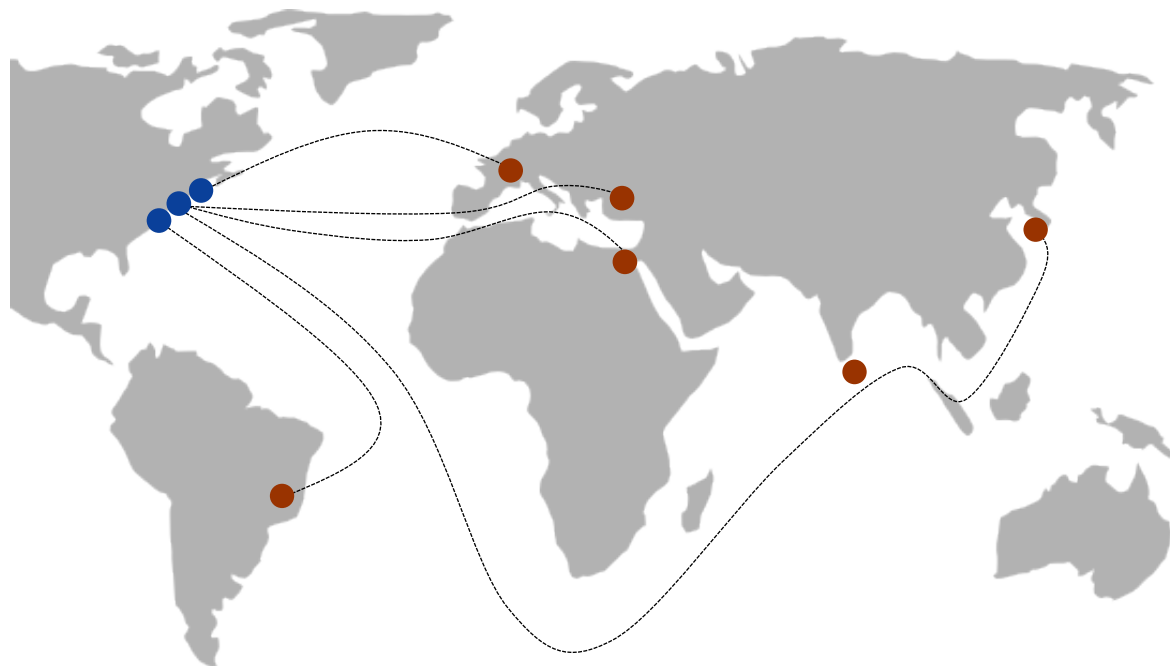
### Corsa's Value Added Services for Local Purchased Coal





## Revenue Stream 3: Sales & Trading Tons

- Access to customers in more countries
- Mix of spot pricing and index pricing
- Utilizes additional purchased coal suppliers
- Delivering more customized products adjusted to customer needs
- Ability to sell on a delivered basis or FOB US East Coast



# Balance Sheet Summary

## Balance Sheet Key Points

\$mm As of:	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>Change</u>
Cash	\$4.3	\$24.5	\$20.2
Revolver Availability	\$6.7	\$3.4	(\$3.3)
Net Working Capital	\$16.3	\$22.1	\$5.8
Revolver	\$14.5	\$0.0	(\$14.5)
Loans Payable	\$10.9	\$33.7	\$22.8
Lease Liabilities	\$3.5	\$4.2	\$0.7
<b>Total Debt</b>	<b>\$28.9</b>	<b>\$37.9</b>	<b>\$9.0</b>
<b>Total Assets</b>	<b>\$269.3</b>	<b>\$210.1</b>	<b>(\$59.2)</b>
<b>Total Liabilities</b>	<b>\$118.2</b>	<b>\$122.4</b>	<b>\$4.2</b>
<b>Total Equity</b>	<b>\$151.1</b>	<b>\$87.7</b>	<b>(\$63.4)</b>

## Capital Expenditures

- Started three new mines since 2017
- Refreshed mining equipment fleet

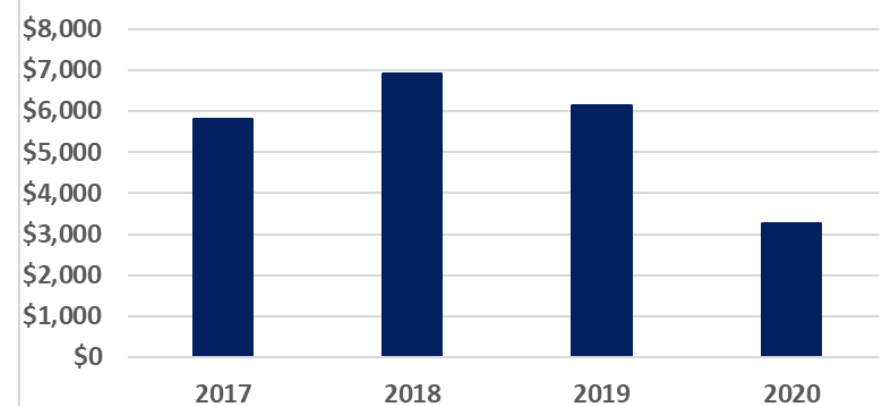
\$mm	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Growth	\$18.8	\$11.8	(\$0.2)	\$0.3
Maintenance	\$6.4	\$9.5	\$7.6	\$1.6
<b>Total CapEx</b>	<b>\$25.2</b>	<b>\$21.3</b>	<b>\$7.4</b>	<b>\$1.9</b>

Source: Company filings.

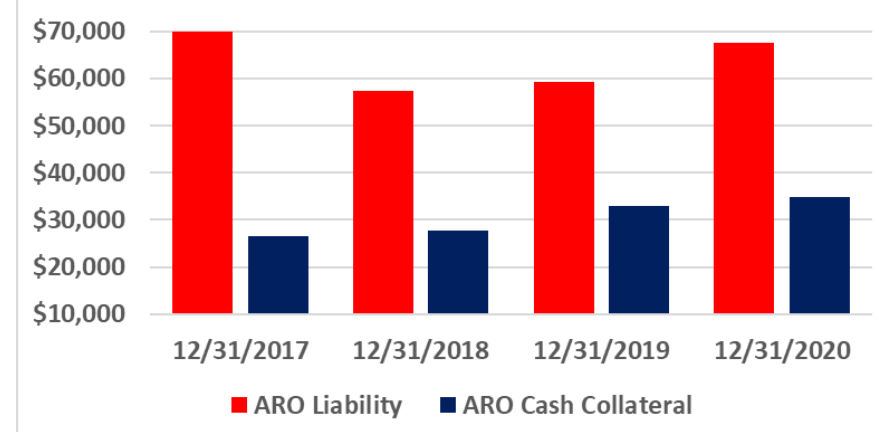
## Asset Retirement Obligations (ARO)

- Environmental liabilities being reduced

### ARO Cash Expenditures



### Net ARO Liabilities



Note: Assumes discount rates of 0.10%-1.47%







# Financial Highlights



TSX-V: CSO | OTCQX: CRSXF

	Total Year 2017	Total Year 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Total Year 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Total Year 2020
Revenues (\$ million)	\$217.4	\$265.8	\$57.6	\$63.5	\$58.4	\$52.6	\$232.1	\$46.8	\$41.2	\$23.6	\$16.8	\$128.5
Adjusted EBITDA <sup>(1)</sup> (\$ million)	\$47.8	\$35.0	\$9.2	\$10.1	\$6.1	\$3.5	\$28.9	\$6.4	\$4.3	-\$4.8	-\$1.4	\$4.4
Capital Expenditures - Maintenance (\$ million)	\$6.4	\$9.6	\$1.8	\$2.0	\$2.4	\$1.4	\$7.6	\$0.5	\$0.3	\$0.2	\$0.6	\$1.6
Capital Expenditures - Growth (\$ million)	\$18.8	\$11.9	-\$0.8	\$0.4	\$0.2	\$0.0	-\$0.2	\$0.0	\$0.2	\$0.0	\$0.0	\$0.3
<b>Metallurgical Coal Sales</b>												
Average Realized Price / Metallurgical Ton Sold <sup>(1)</sup>	\$125.56	\$114.50	\$116.47	\$117.48	\$97.98	\$86.70	\$103.76	\$90.49	\$82.72	\$66.54	\$82.03	\$81.77
Sales Volumes (short tons)												
Company Produced Tons	811,905	981,669	280,657	319,202	282,591	418,794	1,301,244	384,750	336,928	286,944	190,412	1,199,034
Corsa Value Added Services Tons	316,835	403,560	78,197	94,903	56,246	21,292	250,638	29,576	2,426	617	3,314	35,933
Sales & Trading Tons	346,158	486,876	49,982	36,306	126,304	68,879	281,471	34,587	102,076	0	360	137,023
Total Metallurgical Coal Tons Sold	1,474,898	1,872,105	408,836	450,411	465,141	508,965	1,833,353	448,913	441,430	287,561	194,086	1,371,990
Cash Cost / Metallurgical Ton Sold <sup>(1)</sup>												
Cash Production Cost Per Ton Sold <sup>(2)</sup>	\$74.18	\$83.61	\$83.21	\$84.55	\$77.91	\$73.87	\$79.38	\$71.12	\$63.04	\$77.15	\$77.11	\$71.24
Cash Cost per Ton Sold	\$84.45	\$88.59	\$86.18	\$88.66	\$80.28	\$74.59	\$82.07	\$71.61	\$68.12	\$77.01	\$76.77	\$72.35
Cash Margin per Metallurgical Ton Sold <sup>(1)</sup>	\$41.11	\$25.91	\$30.29	\$28.82	\$17.70	\$12.11	\$21.69	\$18.88	\$14.60	-\$10.47	\$5.26	\$9.42

<sup>(1)</sup> This is a non-GAAP measure. See slide 2.

<sup>(2)</sup> Excludes Purchased Coal

Source: Company filing.



# Technical Report



TSX-V: CSO | OTCQX: CRSXF

The mineral reserve and resource estimates relating to Corsia's properties, which are effective as of December 31, 2019, have been prepared by Marshall Miller & Associates, Inc. ("MM&A") under the supervision of Justin S. Douthat, P.E., M.B.A. and John W. Eckman, C.P.G., each a qualified person, as such term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). MM&A is independent of Corsia and its subsidiaries. For a complete description of the mines and projects relating to the NAPP Division Properties, see the report prepared pursuant to NI 43-101 by MM&A under Corsia's profile at [www.sedar.com](http://www.sedar.com) entitled "Technical Report on the Coal Resource and Coal Reserve Controlled by Corsia Coal Corp., Pennsylvania and Maryland, USA - Prepared in Accordance with National Instrument 43-101 Standards for Disclosure for Mineral Projects Effective December 31, 2019" (the "NAPP Technical Report").

Reserves are clean recoverable tons.

## **Cautionary Statement Regarding Estimates of Mineral Reserves**

This document sets forth certain estimates of "reserves" and "resources". While Corsia believes that the estimates were based on methodologies acceptable in Canada pursuant to NI 43-101, such estimates are not synonymous with the United States Securities and Exchange Commission ("SEC") Industry Guide 7 as discussed below. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes in Canada of scientific and technical information concerning mineral projects. Of note to U.S. investors, these standards differ significantly from the requirements of the SEC (including under its Industry Guide 7).

Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that all or any part of historical estimates of "resources" in this AIF will ever be converted into reserves, or if converted, what actual tonnage and grade they may have. Accordingly, information concerning descriptions or mineralization, "resources" and "reserves" contained in this AIF are not comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

# Coal Reserves



TSX-V: CSO | OTCQX: CRSXF

## 43-101 Properties as of 12/31/2020

<u>mnt</u>	<u>Proven</u>	<u>Probable</u>	<u>Total</u>	<u>Permitted</u>	<u>Not Permitted</u>
Surface-mineable	1,671	-	1,671	705	966
Highwall-mineable	-	-	-	-	-
Auger-mineable	150	-	150	150	-
<u>Underground-mineable</u>	<u>28,209</u>	<u>8,947</u>	<u>37,156</u>	<u>17,630</u>	<u>19,526</u>
Total	30,031	8,947	38,977	18,485	20,492
Casselman (UG)	1,736	814	2,550	2,550	-
North (UG)	3,283	1,227	4,510	2,763	1,747
Acosta (UG)			-		-
Upper Kittanning	7,884	1,525	9,409	-	9,409
<u>Middle Kittanning</u>	<u>4,388</u>	<u>1,072</u>	<u>5,460</u>	<u>5,460</u>	<u>-</u>
Total Acosta (UG)	12,272	2,597	14,869	5,460	9,409
Horning (UG)	496	-	496	496	-
A-Seam (UG)	5,590	810	6,400	6,362	38
Keyser (UG)	4,834	3,497	8,331	-	8,331
<u>All Other</u>	<u>1,821</u>	<u>0</u>	<u>1,821</u>	<u>855</u>	<u>966</u>
<b>Total</b>	<b>30,031</b>	<b>8,947</b>	<b>38,977</b>	<b>18,485</b>	<b>20,492</b>

# Coal Qualities



TSX-V: CSO | OTCQX: CRSXF

## 43-101 Properties as of 12/31/2020

		Weighted Composite (Moist Basis)				
Reserve Area	Seam	Wash Recovery (%)	Ash (%)	Sulfur (%)	Btu/lb.	Volatile Matter (%)
<b>Surface-Mineable</b>						
Rhoads	Upper Kittanning	94.37%	7.95%	0.53%	12,430	18.74%
Rhoads	Middle Kittanning	72.69%	13.76%	1.56%	12,234	15.39%
Rhoads	Lower Kittanning	80.83%	11.19%	2.08%	12,747	15.88%
Schrock Run	Lower Freeport	95.67%	6.61%	0.68%	13,315	16.64%
Schrock Run	Upper Kittanning	90.83%	9.90%	1.50%	12,864	17.21%
Shaffer	Lower Freeport	95.57%	7.18%	0.77%	13,445	17.75%
Hamer-Byers	Upper Freeport	82.71%	12.99%	1.11%	-	19.42%
Hamer-Byers	Upper Kittanning	85.93%	10.50%	1.84%	12,771	21.34%
Hamer-Byers	Middle Kittanning	74.52%	12.16%	1.76%	8,676	16.12%
Will Farm	Middle Kittanning	78.13%	10.22%	1.36%	12,799	16.02%
<b>Total</b>		<b>86.74%</b>	<b>9.26%</b>	<b>1.19%</b>	<b>12,924</b>	<b>16.90%</b>
<b>Auger-Minable</b>						
Rhoads	Upper Kittanning	94.37%	7.95%	0.53%	12,430	18.74%
Rhoads	Middle Kittanning	72.69%	13.76%	1.56%	12,234	15.39%
Rhoads	Lower Kittanning	80.83%	11.19%	2.08%	12,747	15.88%
Schrock Run	Lower Freeport	0.00%	0.00%	0.00%	0	0.00%
Schrock Run	Upper Kittanning	90.83%	9.90%	1.50%	12,864	17.21%
Hamer-Byers	Upper Freeport	82.71%	12.99%	1.11%	0	19.42%
Hamer-Byers	Middle Kittanning	74.52%	12.16%	1.76%	8,676	16.12%
<b>Total</b>		<b>86.97%</b>	<b>10.64%</b>	<b>1.48%</b>	<b>11,483</b>	<b>17.14%</b>
<b>Underground-Mineable</b>						
Casselman North	Upper Freeport	80.18%	7.89%	1.01%	13,450	18.82%
Casselman	Upper Freeport	81.17%	6.98%	1.01%	13,450	19.03%
Acosta	Upper Kittanning	78.63%	9.03%	1.61%	13,002	19.72%
Acosta	Middle Kittanning	63.20%	11.28%	1.17%	12,601	15.43%
Acosta	Lower Kittanning	65.32%	10.14%	1.79%	12,812	17.28%
Horning	Lower Freeport	90.49%	5.51%	0.93%	13,533	16.21%
Keyser	Lower Kittanning	74.06%	6.68%	1.37%	13,402	18.85%
A Seam	Brookville	55.48%	10.30%	0.77%	12,643	17.36%
<b>Total</b>		<b>69.88%</b>	<b>9.05%</b>	<b>1.27%</b>	<b>12,997</b>	<b>18.03%</b>
<b>Total</b>		<b>70.39%</b>	<b>9.06%</b>	<b>1.27%</b>	<b>12,992</b>	<b>18.00%</b>

Source: Technical Report dated December 31, 2020.