

**CODE OF ETHICS**  
**COALCORP MINING INC.**  
**(the “Corporation”)**

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The Corporation is committed to conducting its business in accordance with applicable laws, rules and regulations, and in accordance with industry standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations. This Code of Ethics applies to all directors, officers and employees of the Corporation (which for purposes of this Code of Ethics includes its subsidiaries as applicable) and sets forth specific policies to guide you in the performance of your duties.

As a director, officer or employee of the Corporation, you must not only comply with applicable laws, rules and regulations; you also must engage in and promote honest and ethical conduct and abide by the policies and procedures that govern the conduct of the Corporation’s business. Your responsibilities include helping to create and maintain a culture of ethical standards and commitment to compliance, and, in the case of directors and officers, maintaining a work environment that encourages employees to raise concerns to the attention of management, and promptly addressing employee compliance concerns.

**Compliance With Laws, Rules And Regulations**

You are required to comply with the laws, rules and regulations that govern the conduct of the Corporation's business including, without limitation, all laws prohibiting insider trading, money laundering, bribery and improper payments, and to report any suspected violations in accordance with the section below titled "Compliance With Code Of Ethics."

**Conflicts Of Interest**

You may not make any investment, accept any position or benefits, participate in any transaction or business arrangement or otherwise act in a manner that creates or appears to create a conflict of interest unless you make full disclosure of all facts and circumstances to, and obtain the prior written approval of, the Chief Executive Officer (in the case of employees) or the Audit Committee of the Board of Directors (in the case of officers and directors).

A "conflict of interest" arises when you take actions or have interests that conflict in any way with the interests of the Corporation. These conflicts may make it difficult for you to perform your work objectively and efficiently. The following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided:

- you or a member of your immediate family has an ownership interest in, is employed by or serves as a director of a company that (i) directly competes with the Corporation; (ii) does business with the Corporation (such as a customer, supplier or business partner); or (iii) is a recipient of charitable contributions made by the Corporation (however, it is not typically considered a conflict of interest to make investments in competitors, customers or suppliers that are listed on a stock exchange so long as the total value of the investment is less than one percent of the outstanding stock of company and the amount of the investment is not so significant that it would affect your business judgment on behalf of the Corporation.)
- you or a member of your immediate family participates in a joint venture, partnership or other

business arrangement or investment with the Corporation or a business arrangement or investment that you learned of through the use of corporate property or information or your position at the Corporation; and

- you or a member of your immediate family receives improper personal benefits as a result of your position at the Corporation.

### **Confidential Information**

You are required to maintain the confidentiality of all confidential information that you receive or become privy to in connection with the Corporation's business, except when disclosure is authorized in accordance with the Corporation's Corporate Disclosure Policy or mandated or required by court order or the order of a competent regulatory or other agency including securities regulators or stock exchanges. Confidential information includes all non-public information that might prejudice the Corporation's ability to pursue certain objectives, be of use to competitors or harmful to the Corporation, its suppliers or its customers, if disclosed. Confidential information also includes any information relating to the Corporation's business and affairs that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Corporation's securities or any information a reasonable investor would consider important in making an investment decision. You must not use confidential information for your own advantage or profit.

It is the Corporation's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Corporation files with, or submits to, securities regulators and in all other public communications made by the Corporation. The Corporation's management has the general responsibility for preparing such filings and such other communications and shall ensure that such filings and communications comply with applicable laws, rules and regulations. Employees must provide all necessary information to management when requested and must inform management if they become aware that information in any such filing or communication was untrue or misleading at the time of such filing or communication was made or if they have information that would affect any filings or communications to be made in the future.

### **Accuracy of Accounting Records**

The Corporation's accounting records are relied upon to produce reports for management, shareholders, creditors, governmental agencies and others. The financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and the Corporation's system of internal controls. All directors, officers and employees have a responsibility to ensure that the Corporation's accounting records do not contain any false or intentionally misleading entries.

The Corporation is committed to the establishment of an environment that ensures the accuracy of its publicly disclosed financial information. To ensure that relevant information regarding the Corporation's financial condition is available to the Corporation's Audit Committee, the Corporation is in the process of adopting *Procedures for Handling Complaints* for the confidential submission and handling of complaints or concerns by employees, which procedures will be communicated to employees when implemented. *No one will be subject to retaliation because of a good faith report of a suspected violation.*

### **Protection and Proper Use of the Corporation's Assets**

You should protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. The Corporation's assets should only be used for

legitimate business purposes.

### **Corporate Opportunities**

Directors, officers and employees of the Corporation may not (a) take for themselves personally opportunities that are discovered through the use of Corporate property, information or position; (b) use corporate property, information or position for personal gain; or (c) compete with the corporation. Directors, officers and employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

### **Fair Dealing**

It is the Corporation's policy to deal fairly and with integrity with all of its customers, suppliers, subcontractors and competitors. All employees and representatives must employ the highest ethical business practices in source selection, negotiation, determination of awards and the administration of all purchasing activities. Deceptive, misleading or false representations about the Corporation or any of its products or services must not be made. Special consideration must also be given to avoiding conflicts of interest between the Corporation and the person or firm to be employed.

The Corporation seeks to outperform its competitors fairly and honestly through superior performance, never through unethical or illegal business practices. Theft of proprietary information, possession of trade secret information that was procured without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

### **Compliance With Code Of Ethics**

If you have any questions about this Code of Ethics, you should seek guidance from the Corporation's General Counsel and Secretary. If you know of or suspect a violation of applicable laws, rules or regulations or this Code of Ethics, you are encouraged to immediately report that information to the General Counsel and Secretary (in the case of employees) or the Audit Committee (in the case of officers and directors). Reports of suspected violations should identify as many relevant facts as possible, including, if applicable: (1) the date(s) relevant to the identified issue; (2) the name(s) of any persons involved in the identified activity; (3) the specific facts that give rise to the concerns expressed; and (4) any suggestions for resolving or dealing with the problems or issues identified. The Corporation recognizes that resolving reported problems or concerns will advance the overall interests of the Corporation, and will help to safeguard the Corporation's assets, financial integrity and reputation. *No one will be subject to retaliation because of a good faith report of a suspected violation.*

Violations of this Code of Ethics may result in disciplinary action, up to and including discharge. The Audit Committee shall determine, or shall designate appropriate persons to determine, appropriate action in response to violations of this Code of Ethics. Violations of this Code of Ethics may also violate certain laws.

### **Waivers Of Code Of Ethics**

The Board of Directors is responsible for monitoring compliance with this Code of Ethics, and does so primarily through reports from the Audit Committee. If you would like to seek a waiver of this Code of Ethics, you must make full disclosure of your particular circumstances to the Audit Committee. Amendments to and waivers of this Code of Ethics will be publicly disclosed as required by applicable laws, rules and regulations.

### **Documenting Compliance with the Disclosure Policy**

Appropriate records evidencing compliance with this Code of Ethics shall be maintained by the Corporation, including copies of correspondence relating to requests for, and determinations relating to, waivers of this Code of Ethics, and copies of documents relating to violations of this Code of Ethics.

### **No Rights Created**

This Code of Ethics is a statement of certain fundamental principles, policies and procedures intended to govern the directors, officers and employees of the Corporation in the conduct of the Corporation's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.