Corsa Coal Corp.

Management's Discussion and Analysis

September 30, 2024

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For the three and nine months ended September 30, 2024

The purpose of the Corsa Coal Corp. ("Corsa" or the "Company") Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2024 is to provide a narrative explanation of Corsa's operating and financial results for the period, Corsa's financial condition at the end of the period and Corsa's future prospects. This MD&A is intended to be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 and the related notes thereto and the audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 have been prepared in accordance with IFRS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all dollar amounts in this MD&A are expressed in United States dollars, all tonnage amounts are short tons (2,000 pounds per ton) and all amounts are shown in thousands. Pricing and cost per ton information is expressed on a free on board ("FOB") mine site basis. Please refer to "Cautionary Statement Regarding Forward-Looking Statements" and "Cautionary Statement Regarding Certain Measures of Performance." This MD&A is dated as of November 26, 2024.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information set forth in this MD&A 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 projected sales, coal prices, coal production, mine development, the capacity and recovery of Corsa's preparation plants, expected cash production costs, geological conditions, future capital expenditures and expectations of market demand for coal, constitutes forward-looking statements which include management's assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "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, which may cause Corsa's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in coal mine development and production; geological, mining and processing technical problems; inability to obtain required mine licenses, mine permits and regulatory approvals or renewals required in connection with the mining and processing of coal; risks that Corsa's preparation plants will not operate at production capacity during the relevant period, unexpected changes in coal quality and specification; variations in the coal mine or preparation plant recovery rates; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; changes in the regulations in respect to the use, mining and processing of coal; changes in regulations on refuse disposal; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; inability of management to secure coal sales or third party purchase contracts; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, employee relations including the loss of key employees and labor stoppages, severe weather conditions, public health crises and government regulations that are implemented to address them; the demand for and availability of rail, port and other transportation services; the ability to purchase third party coal for processing and delivery under purchase agreements; the ability to resolve litigation and similar matters involving the Company and/or its assets; the ability to pay down or refinance indebtedness; damage to Corsa's reputation due to the actual or perceived occurrence of any number of events; and management's ability to anticipate and manage the foregoing factors and risks. The forward-looking statements and information contained in this MD&A are based on certain assumptions regarding, among other things, future prices for coal; future currency and exchange rates; Corsa's ability to generate sufficient cash flow from operations and access capital markets to meet its future obligations; the regulatory framework representing royalties, taxes and environmental matters in the countries in which Corsa conducts business; coal production levels; Corsa's ability to retain qualified staff and equipment in a cost-efficient manner to meet its demand; and Corsa being able to execute its program of operational improvement and initiatives. 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 MD&A 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.

CAUTIONARY STATEMENT REGARDING CERTAIN MEASURES OF PERFORMANCE

This MD&A presents certain measures, including "EBITDA"; "Adjusted EBITDA"; "realized price per ton sold"; "cash production cost per ton sold"; "cash cost per ton sold"; "cash cost purchased coal per ton sold", and "cash margin per ton sold", that are not recognized measures under IFRS. This data may not be comparable to data presented by other coal producers. For a definition and reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with IFRS, see "Non-GAAP Financial Measures" starting on page 24 of this MD&A. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in performing year-over-year comparisons. However, these non-GAAP measures should be considered together with other data prepared in accordance with IFRS, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

SCIENTIFIC AND TECHNICAL INFORMATION

All scientific and technical information contained in this MD&A has been reviewed and approved by David E. Yingling, Professional Engineer and the Company's mining engineer, who is a qualified person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

- Key financial results and operational statistics are shown below:

	For the three months ended September 30,		For the nine months ended September 30,	
(in millions except per share, per ton and sales tons)	**2024**	**2023**	**2024**	**2023**
Net and comprehensive (loss) income	$(9.1)	$19.4	$(26.8)	$29.4
Diluted (loss) earnings per share	$(0.09)	$0.18	$(0.26)	$0.28
Cash provided by (used in) operating activities	$0.5	$5.7	$(1.4)	$11.7
Total revenue	$43.3	$51.1	$116.1	$154.3
Non-GAAP Financial Measures				
Adjusted EBITDA(1)	$0.5	$6.1	$(5.7)	$27.6
EBITDA(1)	$(4.0)	$26.4	$(11.2)	$45.4
Average realized price per ton of metallurgical coal sold(1)	$137.03	$161.70	$144.02	$170.42
Cash production cost per ton sold(1)	$123.55	$127.72	$139.31	$123.60
Company produced metallurgical coal sales tons	252,522	269,197	688,649	778,955
Purchased metallurgical coal sales tons	16,402	32,736	38,964	67,752
Total metallurgical coal sales tons	268,924	301,933	727,613	846,707

- Corsa's average realized price for the third quarter 2024 is the approximate equivalent of between $232 to $238 per metric ton on an FOB vessel basis(2). For the third quarter 2024, Corsa's sales mix included 64% of sales to domestic customers and 36% of sales to international customers.

(1) This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" starting on page 24 of this MD&A.

(2) Similar to most U.S. metallurgical coal producers, Corsa reports sales and costs per ton on an FOB mine site basis and denominated in short tons. Many international metallurgical coal producers report prices and costs on a delivered-to-the-port basis (or "FOB vessel basis"), thereby including freight costs between the mine and the port. Additionally, Corsa reports sales and costs per short ton, which is approximately 10% lower than a metric ton. For the purposes of this figure, we have used an illustrative freight rate of $35-$40 per short ton. Historically, freight rates are attached to the coal market indices and will adjust as market prices rise and fall. Further adjustments include a vessel freight differential and quality adjustments necessary to evaluate Corsa's price compared to Australian premium low volatile metallurgical coal. As a note, most published indices for metallurgical coal report prices on a delivered-to-the-port basis denominated in metric tons.

BUSINESS OVERVIEW

Corsa is a United States supplier of premium quality metallurgical coal, an essential ingredient in the production of steel. Corsa's core business is supplying premium quality metallurgical coal to domestic and international steel and coke producers. As of the date of this MD&A, Corsa produces coal from five mines, operates two preparation plants and has approximately 380 employees. Corsa's common shares ("Common Shares") are listed on the TSX Venture Exchange under the symbol "CSO". The Common Shares also trade on the OTCQX Best Market under the symbol "CRSXF".

The Company's coal operations are conducted through its Northern Appalachia Division ("NAPP" or "NAPP Division") based in Somerset, Pennsylvania, U.S.A. The NAPP Division is primarily focused on metallurgical coal production in the states of Pennsylvania and Maryland. Corsa markets and sells its NAPP coal to customers in North America, South America, Asia and Europe.

Corsa's metallurgical coal sales figures are comprised of two types of sales: (i) selling coal that Corsa produces; and (ii) selling coal that Corsa purchases from third-parties and may provide value added services (storing, washing, blending, loading) to make the coal saleable.

NAPP Division

Mines

NAPP currently operates the Casselman mine, an underground mine utilizing the room and pillar mining method; the Acosta mine, an underground mine utilizing the room and pillar mining method; the Horning mine, an underground mine utilizing the room and pillar mining method; the Rhoads mine, a surface mine using contour and auger mining methods and the Schrock Run Extension mine, a surface mine using contour and highwall mining methods (collectively, the "NAPP Mines"). The Casselman mine is located in Garrett County, Maryland and the Acosta, Horning, Rhoads and Schrock Run Extension mines are located in Somerset County, Pennsylvania.

Preparation Plants

NAPP currently operates two preparation plants, the Cambria Plant and the Shade Creek Plant. The raw metallurgical coal produced from the NAPP mines is trucked to the preparation plant where it is processed or "washed" using conventional coal processing techniques and stored for shipping. Both plants have load out facilities adjacent to a rail line. Coal is usually shipped by rail; however, it can also be shipped by truck. Both of the preparation plants are located in Somerset County, Pennsylvania. The Cambria Plant has an operating capacity of 325 tons of raw coal per hour, storage capacity of 130,000 tons of clean coal and 55,000 tons of raw coal and load out facilities adjacent to a CSX rail line. The Shade Creek Plant has an operating capacity of 450 tons of raw coal per hour, storage capacity of 75,000 tons of clean coal and 170,000 tons of raw coal and load out facilities adjacent to a Norfolk Southern rail line.

In December 2023, the Company entered into an agreement to sell the idled Rockwood Plant, a refuse facility and an adjacent parcel of land, subject to the transfer of the associated permits and the buyer posting the required surety bonds. This sale closed in the third quarter of 2024.

Growth Projects

NAPP has several significant projects which are in various stages of permitting. Our future spending on development of coal properties will be dependent upon market conditions, achieving acceptable rates of return on investment and financing availability.

Name	Type of Mine	Status
Keyser Project	Underground	Permitted
Shaffer D	Surface	Permitted
Will Farm	Surface	Permit in Process
Roytown Expansion	Underground	Permit in Process

COAL PRICING TRENDS AND OUTLOOK

Price levels opened the third quarter 2024 at $245.20/metric ton ("mt") delivered-to-the-port ("FOBT") for spot deliveries of Australian premium low volatile metallurgical coal and closed the quarter at $204.75/mt FOBT. The quarterly average price for the third quarter 2024 was $210.73/mt FOBT compared to $242.27/mt FOBT in the second quarter and traded in a range from a high of $258.00/mt FOBT to a low of $180.00/mt FOBT.

The World Steel Association reported that through September 2024, global crude steel production was down by 1.2% versus 2023 with noteworthy decreases reported in Russia 5.5%, South Korea 4.6%, China 3.6%, Japan 3.2%, and the United States 1.6% while noteworthy increases were recognized in Turkey 13.8%, India 5.8%, Brazil 4.4% and Germany 4.0%. Regionally, North America 3.9%, Asia and Oceania (which includes China and India) 2.5%, Russia and other CIS plus Ukraine 2.5%, and the Middle East 1.5% reported decreases. Europe Other, Africa, and the EU reported increases of 7.8%, 2.3%, and 0.1%, respectively, while South America was flat. Third quarter 2024 hot-rolled steel coil prices increased in the United States by 8.3% and decreased in Europe and China by 14.2% and 3.2%, respectively when compared to the previous quarter.

The price for spot deliveries of Australian premium low volatile metallurgical coal opened the fourth quarter of 2024 at $204.75/mt FOBT and was trading at $203.00/mt FOBT in early November, with a high price of $211.25/mt FOBT, a low price of $199.00/mt FOBT, and an average price of $203.77/mt FOBT during the quarter. As of early November, forward curve pricing for the balance of the fourth quarter is trading at an average of $207.75/mt FOBT. Fourth quarter 2024 hot-rolled steel coil prices increased in Europe and China by 0.9% and 0.6%, respectively and decreased in the United States by 4.1%. According to the World Steel Association October 2024 Short Range Outlook, finished steel demand in 2024 is expected to decrease by 0.9% over 2023 with China driving the change at a decrease of 3.0% with the rest of the world increasing by 1.2%. Other noteworthy changes include decreases in Germany 7.0%, Turkey 5.5%, South Korea 3.8%, Japan 2.1% and the United States 1.5%, with India and Brazil increasing at 8.0% and 5.0%, respectively. Continued high inventories and ready supply of metallurgical coal with muted demand, as well as uncertainty around the timing and effectiveness of Chinese economic stimulus activities are holding down near-term prices.

The World Steel Association's October 2024 Short Range Outlook forecasts that 2025 finished steel demand will increase by 1.2% over 2024, driven by volume increases in India and Europe with China decreasing. However, as of early November, the forward curve for 2025 indicates full year pricing at just under $230.00/mt FOBT. Decreased demand in China with global economic uncertainty places downward pressure future pricing as metallurgical coal supply remains stable.

According to the U.S. Energy Information Administration, domestic coke plant coal consumption is forecasted to decrease slightly in 2024 to 15.6 million tons compared to 15.8 million tons in 2023. Domestic coke plant coal consumption is forecasted to increase by 3.2% in 2025 to 16.1 million tons. Metallurgical coal exports from the United States were 51.1 million tons in 2023 and are expected to increase slightly in 2024 to 52.9 million tons with 2025 decreasing slightly to 51.8 million tons.

The end use of our coal by our customers in coke plants and steel making, the combustion of fuel by equipment used in coal production and the transportation of our coal to our customers, are all sources of greenhouse gases ("GHGs"). As well, coal mining itself can release methane, which is considered to be a more potent GHG than CO2, directly into the atmosphere. These emissions from coal consumption, transportation and production are subject to pending and proposed regulation as part of initiatives to address global climate change. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of GHGs. The market for our coal may be adversely impacted if comprehensive legislation or regulations focusing on GHG emission reductions are adopted, or if our customers are unable to obtain financing for their operations.

See "Risk Factors" in the Company's annual information form dated March 12, 2024 for the year ended December 31, 2023 for an additional discussion regarding certain factors that could impact coal pricing trends and outlook, as well as the Company's ongoing operations.

FINANCIAL AND OPERATIONAL RESULTS

	For the three months ended September 30,		
(in thousands)	2024	2023	Variance
Revenue	$ 43,336	$ 51,058	$ (7,722)
Cost of sales	(45,373)	(47,581)	2,208
Gross (loss) margin	(2,037)	3,477	(5,514)
Selling, general and administrative expense	(2,395)	(2,318)	(77)
(Loss) income from operations	(4,432)	1,159	(5,591)
Finance expense	(2,281)	(2,684)	403
Finance income	5	4	1
Gain (loss) on restricted investments	1,906	(987)	2,893
Other (expense) income	(4,271)	23,297	(27,568)
(Loss) Income before tax	(9,073)	20,789	(29,862)
Income tax expense	—	1,349	(1,349)
Net and comprehensive (loss) income	$ (9,073)	$ 19,440	$ (28,513)
Diluted (loss) earnings per share	$ (0.09)	$ 0.18	$ (0.27)

	For the nine months ended September 30,		
(in thousands)	2024	2023	Variance
Revenue	$ 116,083	$ 154,312	$ (38,229)
Cost of sales	(129,445)	(132,397)	2,952
Gross (loss) margin	(13,362)	21,915	(35,277)
Selling, general and administrative expense	(6,949)	(6,884)	(65)
(Loss) income from operations	(20,311)	15,031	(35,342)
Finance expense	(7,008)	(7,997)	989
Finance income	12	9	3
Gain on restricted investments	4,699	5	4,694
Other (expense) income	(4,150)	24,144	(28,294)
(Loss) Income before tax	(26,758)	31,192	(57,950)
Income tax expense	—	1,842	(1,842)
Net and comprehensive (loss) income	$ (26,758)	$ 29,350	$ (56,108)
Diluted (loss) earnings per share	$ (0.26)	$ 0.28	$ (0.54)

Operations Summary

(in thousands)	For the three months ended September 30, 2024	2023	Variance	For the nine months ended September 30, 2024	2023	Variance
Coal sold - tons						
NAPP - metallurgical coal	269	302	(33)	728	847	(119)
Realized price per ton sold[1]						
NAPP - metallurgical coal	$ 137.03	$ 161.70	$ (24.67)	$ 144.02	$ 170.42	$ (26.40)
Cash production cost per ton sold[1][2]						
NAPP - metallurgical coal	$ 123.55	$ 127.72	$ 4.17	$ 139.31	$ 123.60	$ (15.71)
Cash cost per ton sold[1][3]						
NAPP - metallurgical coal	$ 124.81	$ 129.25	$ 4.44	$ 139.26	$ 125.49	$ (13.77)
Cash margin per ton sold[1]						
NAPP - metallurgical coal	$ 12.22	$ 32.45	$ (20.23)	$ 4.76	$ 44.93	$ (40.17)
EBITDA[1]						
NAPP	$ (3,389)	$ 27,006	$ (30,395)	$ (9,437)	$ 47,476	$ (56,913)
Corporate	(576)	(629)	53	(1,761)	(2,092)	331
Total	$ (3,965)	$ 26,377	$ (30,342)	$ (11,198)	$ 45,384	$ (56,582)
Adjusted EBITDA[1]						
NAPP	$ 1,030	$ 6,594	$ (5,564)	$ (4,141)	$ 29,190	$ (33,331)
Corporate	(496)	(503)	7	(1,519)	(1,578)	59
Total	$ 534	$ 6,091	$ (5,557)	$ (5,660)	$ 27,612	$ (33,272)

(1) This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" starting on page 24 of this MD&A.
(2) Cash production cost per ton sold excludes purchased coal. This non-GAAP financial measure is defined in more detail in "Non-GAAP Financial Measures" starting on page 24 of this MD&A.
(3) Cash cost per ton sold includes purchased coal. This non-GAAP Financial measure is defined in more detail in "Non-GAAP Financial Measures" starting on page 24 of this MD&A.

REVIEW OF THIRD QUARTER FINANCIAL RESULTS

	For the three months ended September 30, 2024		
(in thousands)	**NAPP**	**Corporate**	**Consolidated**
Revenue	$ 43,336	$ —	$ 43,336
Cost of sales	(45,373)	—	(45,373)
Gross loss	(2,037)	—	(2,037)
Selling, general and administrative expense	(1,854)	(541)	(2,395)
Loss from operations	(3,891)	(541)	(4,432)
Finance expense	(1,884)	(397)	(2,281)
Finance income	5	—	5
Gain on restricted investments	1,906	—	1,906
Other expense	(4,271)	—	(4,271)
Loss before tax	(8,135)	(938)	(9,073)
Income tax expense	—	—	—
Net and comprehensive loss	$ (8,135)	$ (938)	$ (9,073)

	For the three months ended September 30, 2023		
(in thousands)	**NAPP**	**Corporate**	**Consolidated**
Revenue	$ 51,058	$ —	$ 51,058
Cost of sales	(47,581)	—	(47,581)
Gross margin	3,477	—	3,477
Selling, general and administrative expense	(1,727)	(591)	(2,318)
Income (loss) from operations	1,750	(591)	1,159
Finance expense	(2,105)	(579)	(2,684)
Finance income	4	—	4
Loss on restricted investments	(987)	—	(987)
Other income	23,297	—	23,297
Income (loss) before tax	21,959	(1,170)	20,789
Income tax expense	—	1,349	1,349
Net and comprehensive income (loss)	$ 21,959	$ (2,519)	$ 19,440

	Dollar variance for the three months ended September 30, 2024 versus 2023		
(in thousands)	**NAPP**	**Corporate**	**Consolidated**
Revenue	$ (7,722)	$ —	$ (7,722)
Cost of sales	2,208	—	2,208
Gross loss	(5,514)	—	(5,514)
Selling, general and administrative expense	(127)	50	(77)
(Loss) income from operations	(5,641)	50	(5,591)
Finance expense	221	182	403
Finance income	1	—	1
Gain on restricted investments	2,893	—	2,893
Other expense	(27,568)	—	(27,568)
Income before tax	(30,094)	232	(29,862)
Income tax expense	—	(1,349)	(1,349)
Net and comprehensive (loss) income	$ (30,094)	$ 1,581	$ (28,513)

Operating Segments

Corsa's two distinct segments are NAPP and Corporate. The financial results of the continuing operating segments for the three months ended September 30, 2024 and 2023 are as follows:

NAPP Division

Revenue - NAPP Division

	For the three months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Metallurgical coal revenue (at preparation plant)	$ 36,860	$ 48,833	$ (11,973)
Thermal coal revenue (at preparation plant)	984	278	706
Transportation revenue	5,323	1,814	3,509
Limestone revenue	169	133	36
	$ 43,336	$ 51,058	$ (7,722)

- Metallurgical coal revenue, net of transportation charges, decreased $11,973 as a result of reduced sales prices which decreased revenue by $6,637 and lower sales volumes which decreased revenue by $5,336. Metallurgical coal sold was 269 and 302 tons for the three months ended September 30, 2024 and 2023, respectively, representing a decrease of 33 tons. Realized price per ton sold decreased $24.67 due to the lower pricing on domestic metallurgical coal contracts and the lower export metallurgical coal prices in the 2024 period.

- Thermal coal revenue increased due to higher volumes of thermal coal purchased and resold in the 2024 period and additional thermal coal mined at the Company surface operations.

- Revenue associated with the transportation of coal to the loading terminal increased primarily due to increased trucking rates and additional tons sold to customers where the Company provides the freight.

Cost of sales - NAPP Division

Cost of sales consists of the following:

	For the three months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Mining and processing costs	$ 29,940	$ 31,850	$ (1,910)
Purchased coal costs	2,904	4,877	(1,973)
Royalty expense	1,693	2,577	(884)
Amortization expense	4,031	4,216	(185)
Transportation costs from preparation plant to customer	5,323	1,814	3,509
Idle mine expense	312	1,276	(964)
Limestone costs	173	222	(49)
Other costs	997	749	248
Total cost of sales	$ 45,373	$ 47,581	$ (2,208)

- Mining and processing costs for the three months ended September 30, 2024 decreased primarily due to lower volumes of metallurgical coal sold which decreased costs by $1,969 and lower costs per ton sold which decreased costs by $227. Thermal coal mining and processing costs increased by $286 due to higher sales volumes in the 2024 period.
- Purchased metallurgical coal costs decreased by $2,335 due to fewer tons purchased and sold and lower purchase price per ton which decreased costs by $28. Purchased thermal coal costs increased by $390 due to additional tons purchased and sold as a result of an increase in thermal coal contractual commitments.
- Royalty expense decreased primarily due to the lower sales price and fewer volumes of coal sold during the three months ended September 30, 2024 compared to the 2023 period.

- Transportation costs increased primarily due to increased trucking rates and additional tons sold to customers where the Company provides the freight.
- Idle mine expense decreased primarily due to reduced electricity usage and rates in the 2024 period at the Company's Shade Creek preparation plant along with a change in operating status in June 2024 when the plant was restarted.
- Other costs increased primarily due to changes in the workers' compensation provision and various other items, none of which were individually significant.

Selling, general and administrative expense - NAPP Division

Selling, general and administrative expense consists of the following:

	For the three months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Salaries and other compensations	$ 771	$ 716	$ 55
Employee benefits	332	337	(5)
Selling expense	193	184	9
Professional fees	143	81	62
Office expenses and insurance	341	314	27
Other	74	95	(21)
	$ 1,854	$ 1,727	$ 127

- Selling, general and administrative expenses related to the NAPP Division increased primarily due to increased legal expenses and various staffing changes.

Finance (income) expense, net - NAPP Division

	For the three months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Bond premium expense	$ 584	$ 554	$ 30
Accretion on reclamation and water treatment provision	585	720	(135)
Interest expense	715	831	(116)
Interest income	(5)	(4)	(1)
	$ 1,879	$ 2,101	$ (222)

- Accretion on reclamation and water treatment provision decreased primarily due to the reduction in the water treatment provision in December 2023.
- Interest expense decreased primarily due to lower interest charges on the invoice factoring arrangement as a result of the reduced sales prices in the 2024 period.

Gain (loss) on restricted investments - NAPP Division

	For the three months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Gain (loss) on restricted investments	$ 1,906	$ (987)	$ 2,893

- Gain on restricted investments increased primarily due to the change in market value of the water treatment trust fund accounts. The value of these trust funds are marked to market on a monthly basis and market gains were recognized in the three months ended September 30, 2024 compared to market losses in the 2023 period.

Other income (expense) - NAPP Division

(in thousands)	For the three months ended September 30, 2024	2023	Variance
PennDOT Settlement, net	$ —	$ 23,333	$ (23,333)
Filter cake sales and refuse disposal income	—	14	(14)
(Loss) gain on property dispositions	(4,295)	191	(4,486)
Grant income	12	—	12
Royalty income	9	39	(30)
Other	3	(280)	283
	$ (4,271)	$ 23,297	$ (27,568)

- On August 14, 2023, PBS Coals, Inc., a wholly-owned, indirect subsidiary of the Company ("PBS"), entered into a Settlement Stipulation with the Pennsylvania Department of Transportation ("PennDOT") in respect of a settlement of all claims by PBS for damages resulting from certain historical takings of leased land by PennDOT in 2010 and 2011 in respect of which PBS had filed five historical petitions for the determination of damages (the "PennDOT Settlement"). The Settlement Stipulation provided for a $35,000 cash damages payment to PBS, representing a net amount to PBS of $23,333 after the payment of contingent legal fees.
- In December 2023, the Company entered into an agreement to sell the idled Rockwood preparation plant, a refuse facility and an adjacent parcel of land, subject to the transfer of the associated permits and the buyer posting the required surety bonds. Proceeds from the sale were $1,495, the book value of the assets was $6,006 and expenses related to the sale of $14, resulting in a loss from the disposition of the assets of $4,525. Additionally, outstanding surety bonds posted for the properties of $5,871 were released. The transaction closed in September 2024.

Corporate Division

Selling, general and administrative expense - Corporate Division

Selling, general and administrative expense consists of the following:

(in thousands)	For the three months ended September 30, 2024	2023	Variance
Salaries and other compensations	$ 324	$ 331	$ (7)
Employee benefits	26	27	(1)
Professional fees	123	132	(9)
Office expenses and insurance	62	93	(31)
Other	6	8	(2)
	$ 541	$ 591	$ (50)

- Selling, general and administrative expenses decreased primarily due to reduced directors and officers insurance premiums in the 2024 period.

Finance expense (income), net - Corporate Division

(in thousands)	For the three months ended September 30, 2024	2023	Variance
Interest expense	$ 362	$ 541	$ (179)
Amortization of discount on loan payable	36	36	—
Foreign exchange loss (gain)	(1)	2	(3)
	$ 397	$ 579	$ (182)

- Interest expense decreased primarily due to the principal prepayment that occurred during the three months ended December 31, 2023.

Income tax expense - Corporate Division

	For the three months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Income tax expense	$ —	$ 1,349	$ (1,349)

- Income tax expense decreased due to the Company being in a tax loss position in the 2024 period compared to being in a state taxable income position in the 2023 period where the state net operating losses were not permitted to be fully utilized to offset the taxable income.

REVIEW OF YEAR-TO-DATE FINANCIAL RESULTS

(in thousands)	For the nine months ended September 30, 2024 NAPP	Corporate	Consolidated
Revenue	$ 116,083	$ —	$ 116,083
Cost of sales	(129,445)	—	(129,445)
Gross loss	(13,362)	—	(13,362)
Selling, general and administrative expense	(5,305)	(1,644)	(6,949)
Loss from operations	(18,667)	(1,644)	(20,311)
Finance expense	(5,809)	(1,199)	(7,008)
Finance income	11	1	12
Gain on restricted investments	4,699	—	4,699
Other expense	(4,150)	—	(4,150)
Loss before tax	(23,916)	(2,842)	(26,758)
Income tax expense	—	—	—
Net and comprehensive loss	$ (23,916)	$ (2,842)	$ (26,758)

(in thousands)	For the nine months ended September 30, 2023 NAPP	Corporate	Consolidated
Revenue	$ 154,312	$ —	$ 154,312
Cost of sales	(132,397)	—	(132,397)
Gross margin	21,915	—	21,915
Selling, general and administrative expense	(4,937)	(1,947)	(6,884)
Income (loss) from operations	16,978	(1,947)	15,031
Finance expense	(6,288)	(1,709)	(7,997)
Finance income	7	2	9
Gain on restricted investments	5	—	5
Other income	24,144	—	24,144
Income (loss) before tax	34,846	(3,654)	31,192
Income tax expense	—	1,842	1,842
Net and comprehensive income (loss)	$ 34,846	$ (5,496)	$ 29,350

(in thousands)	Dollar variance for the nine months ended September 30, 2024 versus 2023 NAPP	Corporate	Consolidated
Revenue	$ (38,229)	$ —	$ (38,229)
Cost of sales	2,952	—	2,952
Gross loss	(35,277)	—	(35,277)
Selling, general and administrative expense	(368)	303	(65)
(Loss) income from operations	(35,645)	303	(35,342)
Finance expense	479	510	989
Finance income	4	(1)	3
Gain on restricted investments	4,694	—	4,694
Other expense	(28,294)	—	(28,294)
Income before tax	(58,762)	812	(57,950)
Income tax expense	—	(1,842)	(1,842)
Net and comprehensive (loss) income	$ (58,762)	$ 2,654	$ (56,108)

Operating Segments

Corsa's two distinct segments are NAPP and Corporate. The financial results of the continuing operating segments for the nine months ended September 30, 2024 and 2023 are as follows:

NAPP Division

Revenue - NAPP Division

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Metallurgical coal revenue (at preparation plant)	$ 104,848	$ 144,348	$ (39,500)
Thermal coal revenue (at preparation plant)	1,748	3,937	(2,189)
Transportation revenue	8,994	5,639	3,355
Limestone revenue	493	388	105
	$ 116,083	$ 154,312	$ (38,229)

- Metallurgical coal revenue, net of transportation charges, decreased $39,500 as a result of lower sales volumes which decreased revenue by $20,280 and reduced sales prices which caused revenue to decrease by $19,220. Metallurgical coal sold was 728 and 847 tons for the nine months ended September 30, 2024 and 2023, respectively, representing a decrease of 119 tons. Realized price per ton sold decreased $26.40 due to the lower pricing on domestic metallurgical coal contracts and the lower export metallurgical coal prices in the 2024 period.

- Thermal coal revenue decreased due to reduced volumes of thermal coal purchased and resold in the 2024 period.

- Revenue associated with the transportation of coal to the loading terminal increased primarily due to increased trucking rates and additional tons sold to customers where the Company provides the freight.

Cost of sales - NAPP Division

Cost of sales consists of the following:

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Mining and processing costs	$ 91,163	$ 89,751	$ 1,412
Purchased coal costs	6,602	12,800	(6,198)
Royalty expense	5,266	7,513	(2,247)
Amortization expense	12,242	10,134	2,108
Transportation costs from preparation plant to customer	8,994	5,639	3,355
Idle mine expense	2,159	4,093	(1,934)
Limestone costs	418	701	(283)
Other costs	2,601	1,766	835
Total cost of sales	$ 129,445	$ 132,397	$ (2,952)

- Mining and processing costs for the nine months ended September 30, 2024 increased primarily due to adverse geological conditions in the first seven months of the year which increased costs by $12,258 partially offset by lower volumes of metallurgical coal sold which decreased costs by $10,291. Thermal coal mining and processing costs decreased by $555 due to lower sales volumes in the 2024 period.
- Purchased metallurgical coal costs decreased by $4,251 due to fewer tons purchased and sold and lower purchase price per ton which decreased costs by $355. Purchased thermal coal costs decreased by $1,592 due to fewer tons purchased and sold as a result of reduced thermal coal contractual commitments.
- Royalty expense decreased primarily due to the lower sales price and fewer volumes of coal sold during the nine months ended September 30, 2024 compared to the 2023 period.

- Amortization expense increased primarily due to higher depletion expense and increased deferred stripping costs at the Company's surface mines.
- Transportation costs increased primarily due to increased trucking rates and additional tons sold to customers where the Company provides the freight.
- Idle mine expense decreased primarily due to reduced electricity usage and rates at the Company's idled Shade Creek preparation plant in the 2024 period as well as when the plant was restarted in June 2024.
- Limestone costs decreased primarily due to lower volumes produced in the 2024 period.
- Other costs increased primarily due to changes in the workers' compensation provision and various other items, none of which were individually significant.

Selling, general and administrative expense - NAPP Division

Selling, general and administrative expense consists of the following:

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Salaries and other compensations	$ 2,357	$ 2,227	$ 130
Employee benefits	964	842	122
Selling expense	556	510	46
Professional fees	329	258	71
Office expenses and insurance	870	851	19
Other	229	249	(20)
	$ 5,305	$ 4,937	$ 368

- Selling, general and administrative expenses related to the NAPP Division increased primarily due to various administrative salary adjustments, increased benefit costs and increased legal expenses.

Finance (income) expense, net - NAPP Division

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Bond premium expense	$ 1,796	$ 1,653	$ 143
Accretion on reclamation and water treatment provision	1,776	2,139	(363)
Interest expense	2,237	2,496	(259)
Interest income	(11)	(7)	(4)
	$ 5,798	$ 6,281	$ (483)

- Bond premium expense increased primarily due to the increase in surety bonds posted for reclamation activities.
- Accretion on reclamation and water treatment provision decreased primarily due to the reduction in the water treatment provision in December 2023.
- Interest expense decreased primarily due to lower interest charges on the invoice factoring arrangement as a result of the reduced sales prices in the 2024 period.

Gain on restricted investments - NAPP Division

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Gain on restricted investments	$ 4,699	$ 5	$ 4,694

- Gain on restricted investments increased primarily due to the change in market value of the water treatment trust fund accounts. The value of these trust funds are marked to market on a monthly basis and increased market gains were recognized in the nine months ended September 30, 2024 compared to lower market gains in the 2023 period.

Other income (expense) - NAPP Division

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
PennDOT Settlement, net	$ —	$ 23,333	$ (23,333)
Filter cake sales and refuse disposal income	35	66	(31)
(Loss) gain on property dispositions	(4,293)	180	(4,473)
Grant income	20	—	20
Royalty income	32	117	(85)
Other	56	448	(392)
	$ (4,150)	$ 24,144	$ (28,294)

- On August 14, 2023, PBS entered into a Settlement Stipulation with PennDOT in respect of the PennDOT Settlement. The Settlement Stipulation provided for a $35,000 cash damages payment to PBS, representing a net amount to PBS of $23,333 after the payment of contingent legal fees.
- In December 2023, the Company entered into an agreement to sell the idled Rockwood preparation plant, a refuse facility and an adjacent parcel of land, subject to the transfer of the associated permits and the buyer posting the required surety bonds. Proceeds from the sale were $1,495, the book value of the assets was $6,006 and expenses related to the sale of $14, resulting in a loss from the disposition of the assets of $4,525. Additionally, outstanding surety bonds posted for the properties of $5,871 were released. The transaction closed in September 2024.
- Other income decreased due to various items, none of which were individually material.

Corporate Division

Selling, general and administrative expense - Corporate Division

Selling, general and administrative expense consists of the following:

	For the nine months ended September 30,		
(in thousands)	**2024**	**2023**	**Variance**
Salaries and other compensations	$ 961	$ 1,046	$ (85)
Employee benefits	84	71	13
Professional fees	376	540	(164)
Office expenses and insurance	209	264	(55)
Other	14	26	(12)
	$ 1,644	$ 1,947	$ (303)

- Selling, general and administrative expenses decreased primarily due to reduced legal expenses, lower stock-based compensation expense and reduced directors and officers insurance premiums.

Finance expense (income), net - Corporate Division

	For the nine months ended September 30,		
(in thousands)	2024	2023	Variance
Interest expense	$ 1,081	$ 1,562	$ (481)
Amortization of discount on loan payable	108	119	(11)
Foreign exchange loss (gain)	—	3	(3)
Interest income	(1)	(2)	1
Other	10	25	(15)
	$ 1,198	$ 1,707	$ (509)

- Interest expense decreased primarily due to the principal prepayment that occurred during the three months ended December 31, 2023.

Income tax expense - Corporate Division

	For the nine months ended September 30,		
(in thousands)	2024	2023	Variance
Income tax expense	$ —	$ 1,842	$ (1,842)

- Income tax expense decreased due to the Company being in a tax loss position in the 2024 period compared to being in a state taxable income position in the 2023 period where the state net operating losses were not permitted to be fully utilized to offset the taxable income.

FINANCIAL CONDITION

(in thousands)	September 30, 2024	December 31, 2023	Variance
Current assets	$ 27,942	$ 35,905	$ (7,963)
Non-current assets	145,837	155,376	(9,539)
Total assets	$ 173,779	$ 191,281	$ (17,502)
Current liabilities	$ 41,853	$ 25,995	$ 15,858
Non-current liabilities	73,036	79,756	(6,720)
Total liabilities	$ 114,889	$ 105,751	$ 9,138
Total equity	$ 58,890	$ 85,530	$ (26,640)

- Current assets decreased due to a reduction in cash, lower accounts receivable due to timing of shipments and reduced sales price per ton of coal sold and the amortization of prepaid insurance. These decreases were partially offset by increased coal inventory.
- Non-current assets decreased primarily due to amortization of property, plant and equipment, the sale of the Rockwood plant and refuse facility and amortization of deferred stripping assets partially offset by market gains recognized on the restricted investments and additional deposits to restricted cash and investments.
- Current liabilities increased primarily due to an increase in accounts payable and accrued liabilities due to timing of payments, an increase in the current portion of the loan payable due to an amendment to the financial covenants of the loan requiring additional prepayments and an increase in the recourse obligation due to additional borrowings on the LSQ Financing (as defined below).
- Non-current liabilities decreased primarily due to the reclassification of a portion of the loan payable to current, asset retirement obligation payments and liability adjustment due to the sale of the Rockwood plant and refuse facility and scheduled lease payments partially offset by asset retirement obligation accretion.
- Total equity decreased as a result of the net and comprehensive loss that occurred during the period.

LIQUIDITY AND CAPITAL RESOURCES

Our historical sources of cash have been coal sales to customers, limestone sales, processing fees earned, borrowings under the lease financing agreement with Key Equipment Finance, as lessor and assignor, and 36th Street Capital Partners, LLC, as assignee (the "36th Street Facility"), borrowings made pursuant to our now repaid credit and security agreement between KeyBank National Association ("KeyBank"), as lender, and certain wholly-owned subsidiaries of the Company, as borrowers (the "Revolving Credit Facility"), borrowings under the U.S. Small Business Administration's Paycheck Protection Program in April 2020, borrowings on the Main Street Facility (as defined below) in December 2020, proceeds from the LSQ Financing (as defined below) since July 28, 2022, proceeds from the PennDOT Settlement and proceeds received from the issuance of securities. Our primary uses of cash have been for funding existing operations, capital expenditures, reclamation and water treatment obligations, water treatment trust funding, debt service costs and professional fees. We expect to fund maintenance capital, debt service, bonding collateral increases and liquidity requirements with cash on hand, projected cash flow from operations and proceeds from the LSQ Financing and the PennDOT Settlement. Our future spending on growth capital expenditures and development of coal properties will be dependent upon market conditions, achieving acceptable rates of return on investment and financing availability.

The Company's ability to continue as a going concern is largely dependent on obtaining additional debt or equity financing along with the continued improvement in operational performance. The Company's U.S. subsidiary, Wilson Creek Holdings, Inc. ("WCH"), through an administrative agent, Madison One Capital, LLC, has made an application to the United States Department of Agriculture ("USDA") Rural Development Business and Industry loan guarantee program. If the loan guarantee application is approved by the USDA, WCH is expected to enter into a $25,000 term loan subject to an 80% USDA guarantee. The proceeds of the loan are expected to be utilized, in part, to refinance the Company's existing term loan under the Main Street Facility. Although debt financings have been successful in the past, there is no assurance that the Company will be able to successfully complete this financing.

If cash flows from operations are less than required, the Company may need to incur additional debt or issue additional equity. From time-to-time the Company may need to access the long-term and short-term capital markets to obtain financing. Although the Company believes it can currently finance its operations on acceptable terms and conditions, the Company's access to, and the availability of, financing on acceptable terms and conditions in the future will be affected by many factors, including the liquidity of the overall capital markets, the current state of the global economy and restrictions in the Company's existing debt agreements and any other future debt agreements. There can be no assurance that the Company will have or continue to have access to the capital markets on acceptable terms.

(in thousands)	September 30, 2024	December 31, 2023	Variance
Cash	$ 3,130	$ 11,370	$ (8,240)
Working capital	$ (13,911)	$ 9,910	$ (23,821)
Total Debt			
Lease liabilities	$ 3,940	$ 5,102	$ (1,162)
Note payable	252	—	252
Loan payable - Main Street Facility	16,670	16,562	108
	$ 20,862	$ 21,664	$ (802)

Working Capital

Working capital decreased primarily due to a reduction in cash as a result of the operating losses, and increase in accounts payable and accrued liabilities due to timing and borrowing on the LSQ Financing to manage liquidity.

As a result of the various covenants related to the Main Street Facility, the Company intends to manage maintenance and growth capital expenditures in order to service the Main Street Facility and comply with their financial covenants.

The Main Street Facility contains covenants that would restrict the ability to pay dividends, make distributions as well as restrictions on the ability of certain of the Company's subsidiaries, as borrowers under the facility, to transfer funds to the Company.

On July 28, 2022, the Company's subsidiary, Wilson Creek Energy, LLC ("WCE") entered into a 24-month Invoice Purchase Agreement (the "LSQ Financing") with LSQ Funding Group, L.C. ("LSQ"), pursuant to which LSQ may elect to purchase up to $15,000 of eligible customer invoices from WCE. After its initial 24 month term, the LSQ Financing automatically renewed for another one year term and it will continue to renew for subsequent annual terms unless otherwise terminated. WCE's obligations under the LSQ Financing are secured by a lien on all accounts receivable and rights to payment arising from the sale of goods and inventory pursuant to a subordination agreement with KeyBank in connection with the Main Street Facility.

Advances by LSQ may be made at an advance rate of up to 85% of the face value of the eligible receivables being sold. LSQ may require WCE to repurchase accounts receivable if LSQ determines, in its sole discretion, that the accounts are uncollectible for any reason. LSQ receives fees equal to 0.0750% of the receivables purchased in addition to a funds usage daily fee of 0.0292% of the outstanding balance purchased. The transfer does not result in derecognition of the accounts receivable because WCE retains substantially all the risks and rewards of ownership of the transferred asset.

Total Debt

Total debt decreased primarily due to scheduled debt service payments related to lease liabilities partially offset by the issuance of a note payable to acquire equipment and amortization of debt issuance costs.

Cash Flows from Operations

	For the three months ended September 30,			For the nine months ended September 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Cash Flows:						
(Used in) provided by operating activities	$ 531	$ 5,736	$ (5,205)	$ (1,422)	$ 11,727	$ (13,149)
Used in investing activities	(312)	(3,196)	2,884	(5,584)	(8,143)	2,559
Used in financing activities	(467)	(686)	219	(1,234)	(2,757)	1,523
(Decrease) increase in cash	(248)	1,854	(2,102)	(8,240)	827	(9,067)
Cash at beginning of period	3,378	6,001	(2,623)	11,370	7,028	4,342
Cash at end of period	$ 3,130	$ 7,855	$ (4,725)	$ 3,130	$ 7,855	$ (4,725)

- Cash flow from operating activities decreased during the three and nine months ended September 30, 2024 compared to the 2023 period primarily due to reduced revenues for the sale of metallurgical coal as a result of lower realized prices and increased operating costs partially offset by changes in working capital.
- Cash used in investing activities decreased for the three months ended September 30, 2024 compared to the 2023 period primarily due to proceeds on the sale of assets and reduced capital expenditures.
- Cash used in investing activities decreased for the nine months ended September 30, 2024 compared to the 2023 period primarily due to proceeds from the sale of assets and reduced capital expenditures partially offset by the additional restricted cash deposit required for the issuance of surety bonds.
- Cash used in financing activities decreased for the three and nine months ended September 30, 2024 compared to the 2023 period primarily due to reduced debt service payments on the 36th Street Facility and prepayments made on the Main Street Facility in the 2023 period.

Capital Expenditures

The equipment and development added to property, plant and equipment and the cash flow impact (adjusting the increase to property plant and equipment for non-cash transactions) for the nine months ended September 30, 2024 were as follows:

	Increase to PP&E	Cash Flow Impact
Maintenance capital expenditures		
Deep mines	$ 1,884	$ 1,783
Surface mines	520	209
Plant	202	202
Administrative	—	—
	2,606	2,194
Growth capital expenditures		
Deep mines	457	457
Surface mines	24	24
Plant	—	—
	481	481
Total capital expenditures	$ 3,087	$ 2,675

Corsa's capital expenditures for the nine months ended September 30, 2024 were primarily focused on maintenance capital to replace mining and processing equipment and growth capital to add additional power to expand the Casselman mine. Corsa's future spending on property, plant and equipment at its operations and development of coal properties will be dependent upon market conditions, achieving acceptable rates of return on investment, compliance with financial covenants and financing availability. For disclosure regarding Corsa's purchase order firm commitments, relating to the procurement of replacement mining equipment to maintain Corsa's capacity, see "Contractual Obligations".

DEBT COVENANTS

Corsa has certain covenants it is required to meet under the Main Street Facility. Certain measures included in the covenant calculations are not readily identifiable from Corsa's consolidated statements of operations and comprehensive income (loss) or consolidated balance sheets. These measures are considered to be non-GAAP financial measures and, as such, a further description of the covenant calculations is included below. Corsa was in compliance with all covenants at September 30, 2024.

Main Street Facility

The covenants required to be met under the facility (the "Main Street Facility") available under the five-year credit agreement dated December 14, 2020, as subsequently amended, between KeyBank, as lender, and certain wholly-owned subsidiaries of the Company, as borrowers, are described below. Such measurements are made with reference to the consolidated results of Corsa.

- Liquidity is defined as the sum of unrestricted cash and cash equivalents, above $3,000 from July 1, 2023 through January 31, 2024, above $4,500 from February 1, 2024 until March 31, 2024, above $1,500 from April 1, 2024 until March 31, 2025 and $6,250 thereafter.
- Capital expenditures of not more than $11,000 on an annual basis.
- If liquidity, at any time, is less than the required amount then a trailing twelve month Minimum Fixed Charge Coverage Ratio[1] of not less than 1.10 to 1.00 (measured monthly).

(1) Minimum Fixed Charge Coverage Ratio is measured as EBITDA[2] *less* the sum of: (i) capital expenditures, (ii) taxes paid, (iii) dividends and distributions, (iv) water treatment and reclamation payments and (v) water treatment trust funding, divided by the sum of (a) interest expense paid in cash *plus* (b) scheduled principal payments on indebtedness.

(2) EBITDA is defined as the sum of consolidated net and comprehensive income (or loss) *plus* (i) interest expense, (ii) provision for taxes based on income or profits (net of any income tax refunds), (iii) depletion, depreciation and impairment charges, (iv) amortization expense, (v) non-cash stock-based compensation expense, (vi) losses (or minus gains) for such period from the early extinguishment of indebtedness, (vii) transaction expenses, (viii) non-recurring transaction expenses, (ix) non-cash costs (or minus non-cash income) related to a change in estimate of water treatment or reclamation provision, (x) expense (or minus income) related to the change in market value of restricted cash, (xi) accretion expense related to asset retirement obligations and (xii) any other non-cash charges (or minus income) which have been subtracted in calculating net and comprehensive income from continuing operations.

CONTRACTUAL OBLIGATIONS

The purchase order firm commitments primarily relate to the procurement of replacement mining equipment to maintain Corsa's production capacity. These expenditures are expected to be funded from cash on hand, cash flows from operations or proceeds from the LSQ Financing.

	Carrying Value at Sept. 30, 2024	Payments due by period				
		Total	Less Than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 26,748	$ 26,748	$ 26,748	$ —	$ —	$ —
Recourse obligation	3,106	3,106	3,106	—	—	—
Lease liabilities	3,940	3,940	1,399	2,324	217	—
Note payable	252	252	252	—	—	—
Loan payable - Main Street Facility	16,670	16,846	3,000	13,846	—	—
Other liabilities	8,475	8,475	2,821	2,710	2,835	109
Asset retirement obligations - reclamation	42,684	42,684	3,661	11,263	7,872	19,888
Asset retirement obligations - water treatment	13,014	13,014	866	1,691	1,639	8,818
Purchase order firm commitments	—	2,597	2,597	—	—	—
Minimum royalty commitments	—	2,586	862	1,724	—	—
Reclamation bond restricted cash deposits	—	4,333	1,500	2,833	—	—
Total	$ 114,889	$ 124,581	$ 46,812	$ 36,391	$ 12,563	$ 28,815

NON-GAAP FINANCIAL MEASURES

The Company has included certain non-GAAP financial measures throughout this MD&A. These performance measures are employed by the Company to measure its performance internally and to assist in business decision-making as well as providing key performance information to senior management. The Company believes that, in addition to the conventional measures prepared in accordance with IFRS, certain investors and other stakeholders also use these non-GAAP financial measures to evaluate the Company's 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 IFRS.

Historically, the Company's business model included a Sales and Trading platform where the Company purchased and then sold coal on a clean or finished goods basis from suppliers outside of the Company's main operating area. This Sales and Trading platform is no longer a part of the Company's business model as of January 1, 2021 and therefore the Company has simplified the reporting of coal purchased and sold and revised the non-GAAP financial measure's description (i.e., cash cost purchased coal per ton sold). This measure is presented separately due to the purchases being derived from market prices and the Company believes that providing a breakdown of the cost of coal that the Company produces provides a meaningful metric to investors as this non-GAAP financial measure is utilized in evaluating the operational effectiveness of the Company's mines.

Management uses the following non-GAAP financial measures:

- **EBITDA** - earnings before deductions for interest, taxes, depreciation and amortization;
- **Adjusted EBITDA** - EBITDA adjusted for change in estimate of reclamation and water treatment 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;
- **Realized price per ton sold** - revenue from coal sales less transportation costs from the mine site to the loading terminal divided by tons of coal sold. Management evaluates our operations based on the volume of coal we can safely produce or purchase and sell in compliance with regulatory standards, and the prices we receive for our coal. Our sales volume and sales prices are largely dependent upon the terms of our contracts, for which prices generally are set based on an index. We evaluate the price we receive for our coal on an average realized price on an FOB mine site per short ton basis;
- **Cash production cost per ton sold** - cash production costs of sales excluding purchased coal costs, all included within cost of sales, divided by tons of produced coal sold. Cash production cost is based on cost of sales and includes items such as manpower, royalties, fuel, and other similar production related items, pursuant to IFRS, but relate directly to the costs incurred to produce coal and sell it on an FOB mine site basis. Cash production cost per ton sold is used as a supplemental financial measure by management and by external users to assess our operating performance as compared to the operating performance of other companies in the coal industry. Purchased coal is excluded as the purchased coal costs are based on market prices of coal purchased and not the cost to produce the coal;
- **Cash cost purchased coal per ton sold** - purchased coal costs divided by tons of purchased coal sold. Management uses this measure to assess coal purchases against the market price at which this coal will be sold;
- **Cash cost per ton sold** - cash production costs of sales, included within cost of sales, divided by total tons sold. Management uses cash cost per ton sold to assess our overall financial performance on a per ton basis to include the Company's production and purchased coal cost in total; and
- **Cash margin per ton sold** - calculated difference between realized price per ton sold and cash cost per ton sold. Cash margin per ton sold is used by management and external users to assess the operating performance as compared to the operating performance of other coal companies in the coal industry.

Since non-GAAP financial measures do not have a standardized meaning and may not be comparable to similar measures presented by other companies, the non-GAAP financial measures are clearly defined, quantified and reconciled with their nearest IFRS measure as follows:

EBITDA and Adjusted EBITDA for the three months ended September 30, 2024 and 2023

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
(in thousands)	**NAPP**	**Corp.**	**Total**	**NAPP**	**Corp.**	**Total**
Net and comprehensive (loss) income	$ (8,135)	$ (938)	$ (9,073)	$ 21,959	$ (2,519)	$ 19,440
Add (Deduct):						
Amortization expense	4,031	—	4,031	4,216	—	4,216
Interest expense	715	362	1,077	831	541	1,372
Income tax expense	—	—	—	—	1,349	1,349
EBITDA	(3,389)	(576)	(3,965)	27,006	(629)	26,377
Add (Deduct):						
Stock-based compensation (a)	—	42	42	—	60	60
PennDOT Settlement (b)	—	—	—	(23,333)	—	(23,333)
Net finance (income) expense, excluding interest expense (c)	(742)	35	(707)	2,257	38	2,295
Loss (gain) on disposal of assets (d)	4,295	—	4,295	(191)	—	(191)
Other costs (e)	866	3	869	855	28	883
Adjusted EBITDA	$ 1,030	$ (496)	$ 534	$ 6,594	$ (503)	$ 6,091

(a) Reflects the non-cash expense related to the vesting of stock options.
(b) Reflects the amount included in other income and expense related to the legal settlement with PennDOT.
(c) Components of finance expense and income excluding interest expense.
(d) Reflects the amounts included in other income and expense related to the disposal of assets not utilized in the Company’s mining operations.
(e) Reflects various adjustments related to adjusting the Company’s workers’ compensation liability, costs incurred for the Company’s internal investigation of the sales agent matter and other adjustments, none of which were individually material.

EBITDA and Adjusted EBITDA for the nine months ended September 30, 2024 and 2023

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
(in thousands)	**NAPP**	**Corp.**	**Total**	**NAPP**	**Corp.**	**Total**
Net and comprehensive (loss) income	$ (23,916)	$ (2,842)	$ (26,758)	$ 34,846	$ (5,496)	$ 29,350
Add (Deduct):						
Amortization expense	12,242	—	12,242	10,134	—	10,134
Interest expense	2,237	1,081	3,318	2,496	1,562	4,058
Income tax expense	—	—	—	—	1,842	1,842
EBITDA	(9,437)	(1,761)	(11,198)	47,476	(2,092)	45,384
Add (Deduct):						
Stock-based compensation (a)	—	116	116	—	191	191
PennDOT Settlement (b)	—	—	—	(23,333)	—	(23,333)
Net finance (income) expense, excluding interest expense (c)	(1,138)	117	(1,021)	3,780	145	3,925
Loss (gain) on disposal of assets (d)	4,293	—	4,293	(180)	—	(180)
Other costs (e)	2,141	9	2,150	1,447	178	1,625
Adjusted EBITDA	$ (4,141)	$ (1,519)	$ (5,660)	$ 29,190	$ (1,578)	$ 27,612

(a) Reflects the non-cash expense related to the vesting of stock options.
(b) Reflects the amount included in other income and expense related to the PennDOT Settlement.
(c) Components of finance expense and income excluding interest expense.
(d) Reflects the amounts included in other income and expense related to the disposal of assets not utilized in the Company's mining operations.
(e) Reflects various adjustments related to adjusting the Company's workers' compensation liability, costs incurred for the Company's internal investigation of the sales agent matter and other adjustments, none of which were individually material.

Realized price per ton sold for the three months ended September 30, 2024 and 2023

(in thousands except per ton amounts)	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	NAPP Met	NAPP Thermal	Total	NAPP Met	NAPP Thermal	Total
Revenue	$ 42,352	$ 984	$ 43,336	$ 50,780	$ 278	$ 51,058
Add (Deduct):						
Transportation costs from preparation plant to customer	(5,323)	—	(5,323)	(1,814)	—	(1,814)
Limestone revenue	(169)	—	(169)	(133)	—	(133)
Net coal sales (at preparation plant)	$ 36,860	$ 984	$ 37,844	$ 48,833	$ 278	$ 49,111
Coal sold - tons	269	13	282	302	3	305
Realized price per ton sold (at preparation plant)	$ 137.03	$ 75.69	$ 134.20	$ 161.70	$ 92.67	$ 161.02

Realized price per ton sold for the nine months ended September 30, 2024 and 2023

(in thousands except per ton amounts)	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	NAPP Met	NAPP Thermal	Total	NAPP Met	NAPP Thermal	Total
Revenue	$ 114,335	$ 1,748	$ 116,083	$ 150,375	$ 3,937	$ 154,312
Add (Deduct):						
Transportation costs from preparation plant to customer	(8,994)	—	(8,994)	(5,639)	—	(5,639)
Limestone revenue	(493)	—	(493)	(388)	—	(388)
Net coal sales (at preparation plant)	$ 104,848	$ 1,748	$ 106,596	$ 144,348	$ 3,937	$ 148,285
Coal sold - tons	728	20	748	847	40	887
Realized price per ton sold (at preparation plant)	$ 144.02	$ 87.40	$ 142.51	$ 170.42	$ 98.43	$ 167.18

Cash cost per ton sold, cash production cost per ton sold, and cash cost purchased coal per ton sold for the three months ended September 30, 2024 and 2023

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
(in thousands except per ton amounts)	**NAPP Met**	**NAPP Thermal**	**Total**	**NAPP Met**	**NAPP Thermal**	**Total**
Cost of Sales:						
Mining and processing costs	$ 29,585	$ 355	$ 29,940	$ 31,779	$ 71	$ 31,850
Purchased coal costs	2,317	587	2,904	4,679	198	4,877
Royalty expense	1,672	21	1,693	2,577	—	2,577
Total cash costs of tons sold	$ 33,574	$ 963	$ 34,537	$ 39,035	$ 269	$ 39,304
Total tons sold	269	13	282	302	3	305
Cash cost per ton sold (at preparation plant)	$ 124.81	$ 74.08	$ 122.47	$ 129.25	$ 89.67	$ 128.87
Total cash costs of tons sold	$ 33,574	$ 963	$ 34,537	$ 39,035	$ 269	$ 39,304
Less: purchased coal	(2,317)	—	(2,317)	(4,679)	—	(4,679)
Cash cost of produced coal sold	$ 31,257	$ 963	$ 32,220	$ 34,356	$ 269	$ 34,625
Tons sold - produced	253	13	266	269	3	272
Cash production cost per ton sold (at preparation plant)	$ 123.55	$ 74.08	$ 121.13	$ 127.72	$ 89.67	$ 127.30
Purchased coal	$ 2,317	$ —	$ 2,317	$ 4,679	$ —	$ 4,679
Tons sold - purchased coal	16	—	16	33	—	33
Cash cost purchased coal per ton sold (at preparation plant)	$ 144.81	$ —	$ 144.81	$ 141.79	$ —	$ 141.79

Cash cost per ton sold, cash production cost per ton sold, and cash cost purchased coal per ton sold for the nine months ended September 30, 2024 and 2023

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
(in thousands except per ton amounts)	**NAPP Met**	**NAPP Thermal**	**Total**	**NAPP Met**	**NAPP Thermal**	**Total**
Cost of Sales:						
Mining and processing costs	$ 90,737	$ 426	$ 91,163	$ 88,769	$ 982	$ 89,751
Purchased coal costs	5,399	1,203	6,602	10,005	2,795	12,800
Royalty expense	5,245	21	5,266	7,513	—	7,513
Total cash costs of tons sold	$ 101,381	$ 1,650	$ 103,031	$ 106,287	$ 3,777	$ 110,064
Total tons sold	728	20	748	847	40	887
Cash cost per ton sold (at preparation plant)	$ 139.26	$ 82.50	$ 137.74	$ 125.49	$ 94.43	$ 124.09
Total cash costs of tons sold	$ 101,381	$ 1,650	$ 103,031	$ 106,287	$ 3,777	$ 110,064
Less: purchased coal	(5,399)	—	(5,399)	(10,005)	—	(10,005)
Cash cost of produced coal sold	$ 95,982	$ 1,650	$ 97,632	$ 96,282	$ 3,777	$ 100,059
Tons sold - produced	689	20	709	779	40	819
Cash production cost per ton sold (at preparation plant)	$ 139.31	$ 82.50	$ 137.70	$ 123.60	$ 94.43	$ 122.17
Purchased coal	$ 5,399	$ —	$ 5,399	$ 10,005	$ —	$ 10,005
Tons sold - purchased coal	39	—	39	68	—	68
Cash cost purchased coal per ton sold (at preparation plant)	$ 138.44	$ —	$ 138.44	$ 147.13	$ —	$ 147.13

Cash margin per ton sold for the three months ended September 30, 2024 and 2023

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	NAPP Met	NAPP Thermal	Total	NAPP Met	NAPP Thermal	Total
Realized price per ton sold (at preparation plant)	$ 137.03	$ 75.69	$ 134.20	$ 161.70	$ 92.67	$ 161.02
Cash cost per ton sold (at preparation plant)	$ 124.81	$ 74.08	$ 122.47	$ 129.25	$ 89.67	$ 128.87
Cash margin per ton sold	$ 12.22	$ 1.61	$ 11.73	$ 32.45	$ 3.00	$ 32.15

Cash margin per ton sold for the nine months ended September 30, 2024 and 2023

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	NAPP Met	NAPP Thermal	Total	NAPP Met	NAPP Thermal	Total
Realized price per ton sold (at preparation plant)	$ 144.02	$ 87.40	$ 142.51	$ 170.42	$ 98.43	$ 167.18
Cash cost per ton sold (at preparation plant)	$ 139.26	$ 82.50	$ 137.74	$ 125.49	$ 94.43	$ 124.09
Cash margin per ton sold	$ 4.76	$ 4.90	$ 4.77	$ 44.93	$ 4.00	$ 43.09

OUTSTANDING SHARE DATA

The following table sets forth the particulars of Corsa's fully diluted share capital as of the date of this MD&A.

	Number of Common Shares
Common Shares issued and outstanding	103,811,512
Common Shares issuable upon exercise of issued and outstanding stock options	4,237,446

SUMMARY OF QUARTERLY RESULTS

The following table sets out certain information derived from Corsa's audited consolidated financial statements or unaudited condensed interim consolidated financial statements for each of the eight most recently completed quarters. Numbers presented in the table were prepared in accordance with IFRS and interpretations approved by the IASB.

	Quarter Ended			
(in thousands except per share amounts)	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**
Revenue	$ 43,336	$ 36,759	$ 35,988	$ 42,824
Net and comprehensive (loss) income	$ (9,073)	$ (9,494)	$ (8,191)	$ (5,797)
Earnings (loss) per share:				
Basic	$ (0.09)	$ (0.09)	$ (0.08)	$ (0.06)
Diluted	$ (0.09)	$ (0.09)	$ (0.08)	$ (0.06)

	Quarter Ended			
(in thousands except per share amounts)	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
Revenue	$ 51,058	$ 55,309	$ 47,945	$ 38,854
Net and comprehensive income (loss)	$ 19,440	$ 7,982	$ 1,928	$ (16,302)
Earnings (loss) per share:				
Basic	$ 0.19	$ 0.08	$ 0.02	$ (0.16)
Diluted	$ 0.18	$ 0.08	$ 0.02	$ (0.16)

Corsa's 2024 revenue reflects lower domestic metallurgical coal contract prices due to the decline in the market. The 2023 revenue is reflective of improved metallurgical coal domestic contracts as a result of the continued strength of the metallurgical coal market. The first and second quarters of 2023 reflect improved operational performance resulting from more favorable geological conditions. Adverse geological conditions negatively impacted operational performance throughout the 2022 year, the third and fourth quarters of 2023 and the first and second quarters of 2024. Net and comprehensive loss for the third quarter 2024 was impacted by the sale of the Rockwood preparation plant and refuse facility. Net and comprehensive income for the fourth quarter 2023 was impacted by the write-off of mineral interests associated with the A-Seam mine due to the expiration of the mineral leases partially offset by a change in estimate of the asset retirement obligations. The quarter ended September 30, 2023 was impacted by the PennDOT Settlement. Net and comprehensive loss for the quarter ended December 31, 2022 was impacted by a change in estimate of the asset retirement obligations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. Actual outcomes may differ from those estimates should different assumptions or conditions arise. Significant areas of estimation uncertainty that could cause a material adjustment to the carrying amounts of assets and liabilities within one year are presented below.

Property, plant and equipment

The useful life of property, plant and equipment is based on management's best estimate of the useful life at the time of acquisition. The useful lives are reviewed at least annually or when other changes or circumstances warrant this review. The useful lives impact the amortization expense recorded in the consolidated statements of operations and comprehensive income (loss) and the carrying value of the items of property, plant and equipment. Accordingly, a significant departure from management's expectation, including the impact of any changes in economic, technological or regulatory circumstances beyond management's control, may impact the carrying value of items of property, plant and equipment.

Reserve and resource estimates

Coal reserve and resource estimates indicate the amount of coal that can be feasibly extracted from the Company's mineral properties. These estimates involve the inclusion of various complex inputs requiring interpretation by qualified geological personnel such as the size, shape and depth of the mineral deposit and other geological assumptions. Other estimates include commodity prices, production costs and capital expenditure requirements. Significant departures from the estimates utilized in management's calculations may impact the carrying value of the mineral properties, reclamation provisions and amortization expense.

Reclamation provision estimates

Reclamation provisions are recognized by Corsa for the estimated costs to reclaim the site at the end of mine life. The carrying amount of the reclamation provision in the consolidated financial statements is subject to various estimates including mine life, undiscounted cash flows to reclaim mineral properties, inflation and discount rates. The provision at the balance sheet date represents management's best estimate but significant departures from management's expectation, including the impact of any changes in economic, technological or regulatory circumstances, may impact the carrying value of the reclamation provision and associated reclamation cost asset included in property, plant and equipment.

Water treatment provision estimates

The Company has signed certain agreements with U.S. environmental and regulatory agencies which require the perpetual monitoring and treatment of water in areas where the Company is operating or has operated in the past. The Company has the obligation to fund such water treatment activities and has recorded a provision for the total expected costs of such water treatment. The water treatment provision is estimated based on a determination of the estimated costs of treatment using assumptions effective as of the end of the reporting period discounted using a pre-tax risk-free discount rate consistent with the expected timing of the cash flows. The provision at the balance sheet date represents management's best estimate as of such date but may result in significant departures from management's expectation, including the impact of any changes in economic, technological or regulatory circumstances that may impact the carrying value of the water treatment provision.

Impairment of long-term assets

The Company reviews and tests the carrying amounts of long-lived assets when an indicator of impairment is considered to exist. The Company considers both external and internal sources of information in assessing whether there are any indications that long-lived assets are impaired. External sources of information that the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amounts of long-lived assets. Internal sources of information that the Company considers include the manner in which long-lived assets are being used or are expected to be used and indications of economic performance of the assets.

For the purposes of determining whether an impairment of a long-lived asset has occurred, and the amount of any impairment or its reversal, management uses key assumptions in estimating the recoverable value of a cash generating unit ("CGU") which is calculated as the higher of the CGU's value in-use and fair value less costs of disposal.

Changes in these estimates which decrease the estimated recoverable amount of the CGU could affect the carrying amounts of the long-lived assets and result in an impairment charge.

Evaluation of exploration and evaluation costs

Management makes estimates as to when a known mineral deposit would provide future benefit sufficient enough to begin capitalization of exploration and evaluation costs. Actual results as to when a project provides future benefit may vary from management's estimate.

Deferred income tax assets

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered. There is no certainty that income tax rates will be consistent with current estimates. Changes in tax rates increase the volatility of the Company's earnings.

CHANGES IN ACCOUNTING POLICIES

Future accounting pronouncements

Certain amendments to existing standards issued by the IASB may impact the Company's financial statements for accounting periods after January 1, 2024. Updates that are not applicable or are not consequential to the Company have been excluded.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash and investments, accounts receivable, accounts payable and accrued liabilities, recourse obligation, lease liabilities, note payable, loan payable in connection with the Main Street Facility and other liabilities.

Financial risk management

The Company is exposed, in varying degrees, to a variety of financial instrument related risks as described below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. These deposit accounts are held with high credit quality institutions in Canada and the United States. Restricted cash consists of cash, money market accounts and certificates of deposit. Restricted investments consist of interest-bearing securities invested with highly rated financial institutions.

Customer credit risk is managed by the Company's established policy, procedures and controls relating to customer credit risk management. The Company trades only with recognized creditworthy third parties who are subject to credit verification procedures, and often times are backed by letters of credit or trade credit insurance. In addition, outstanding receivable balances are regularly monitored on an ongoing basis. The Company has not recorded any allowance for credit losses for the nine months ended September 30, 2024 and 2023.

At September 30, 2024 and December 31, 2023, the Company had four and five customers, respectively, that owed the Company more than $1,000 each and accounted for approximately 87% and 92%, respectively, of total accounts receivable. At September 30, 2024 and December 31, 2023, 74% and 62%, respectively, of the Company's accounts receivables were covered by letters of credit or other forms of credit insurance.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include the Main Street Facility and restricted cash and investments.

Commodity Risk

The value of the Company's mineral properties is related to the price of metallurgical coal and the outlook for this commodity, which is beyond the control of the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2024, the Company had a consolidated unrestricted cash balance of $3,130 and consolidated working capital deficit of $13,911. The future operations of the Company are dependent on the continued generation of positive cash flows from operations which in turn is dependent on the future demand and price for metallurgical coal. The Company plans to utilize expected operating cash flows to service the Company's debt obligations.

If cash flows from operations are less than required, the Company may need to incur additional debt or issue additional equity. From time-to-time, the Company may need to access the long-term and short-term capital markets to obtain financing. Although the Company believes it can currently finance its operations on acceptable terms and conditions, the Company's access to, and the availability of, financing on acceptable terms and conditions in the future will be affected by many factors, including the liquidity of the overall capital markets, the current state of the global economy and restrictions in the Company's existing debt agreements and any other future debt agreements. There can be no assurance that the Company will have or continue to have access to the capital markets on acceptable terms.

Fair Value

The estimated fair values of all financial instruments approximate their respective carrying values except for the loan payable in connection with the Main Street Facility. The loan payable is carried at amortized cost and the carrying amount and fair value is presented below:

	September 30, 2024		**December 31, 2023**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Loan payable - Main Street Facility	$ 16,670	$ 16,448	$ 16,562	$ 16,191

The fair value of the loan payable was determined by discounting the future contractual cash flows at a discount rate that represents an approximation of the borrowing rates presently available to the Company. At September 30, 2024 and December 31, 2023, the discount rate for the Main Street Facility was 11.6%. Management's estimate of the fair value of the loan payable is classified as Level 2 in the fair value hierarchy, as explained below.

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

The fair value hierarchy categorizes into three levels the inputs in valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are those other than quoted market prices in active markets, which are observable for the asset or liability, either directly or indirectly, such as inputs derived from market prices.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on a degree to which the inputs used to determine the fair value are observable.

	September 30, 2024		December 31, 2023	
	Level 1		Level 1	
Restricted cash	$	19,346	$	16,647
Restricted investments				
Debt securities		6,304		6,168
Equity securities		27,324		23,042
		33,628		29,210
Total restricted cash and investments	$	52,974	$	45,857

At September 30, 2024 and December 31, 2023, the Company had no other financial instruments which used Level 2 or 3 fair value measurements.

ADDITIONAL INFORMATION

Additional information regarding Corsa, including its annual information form dated March 12, 2024, is available under Corsa's profile at www.sedarplus.com.