

GRANDE CACHE COAL CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 11, 2004

TAKE NOTICE that the Annual Meeting (the "**Meeting**") of Grande Cache Coal Corporation (the "**Corporation**") will be held in the Frank L. Burnet Board Room of Burnet, Duckworth & Palmer LLP, Suite 1400, 350 - 7th Avenue S.W., Calgary, Alberta, on Wednesday, August 11, 2004, at 2:00 p.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the fiscal year ended March 31, 2004 and the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at five;
3. to elect five directors;
4. to appoint auditors and to authorize the directors to fix their remuneration as such; and
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Particulars of the matters referred to above are set forth in the Information Circular - Proxy Statement accompanying and forming part of this Notice of Annual Meeting.

Shareholders who are unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy to the Corporate Secretary of the Corporation in care of Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 24 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.

The Board of Directors of the Corporation has fixed the record date for the Meeting as the close of business on June 25, 2004 (the "**Record Date**"). Only shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date unless any such shareholder transfers shares after the Record Date and the transferee of those shares establishes ownership of such shares and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta this 25th day of June, 2004.

By order of the Board of Directors

(Signed) Robert H. Stan
President and Chief Executive Officer

GRANDE CACHE COAL CORPORATION
INFORMATION CIRCULAR - PROXY STATEMENT

**Annual Meeting of Shareholders
to be held on August 11, 2004**

PROXIES

Solicitation of Proxies

This Information Circular - Proxy Statement (the "Information Circular") is furnished in connection with the solicitation by the management of Grande Cache Coal Corporation ("Grande Cache" or the "Corporation") of proxies to be used at the Annual Meeting (the "Meeting") of the shareholders of the Corporation to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting. The information disclosed in this Information Circular is as of June 25, 2004, unless otherwise stated. Solicitation of proxies will be primarily by mail but may also be by telephone, telegraph or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. The cost of the solicitation of proxies will be borne by the Corporation.

Appointment of Proxies

Instruments of Proxy will not be valid unless deposited with the Corporate Secretary of the Corporation in care of Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than twenty-four (24) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

Instruments of Proxy must be in writing and must be executed by the shareholder or his duly appointed attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by a duly authorized officer whose title should be indicated. Instruments of Proxy signed by persons acting as attorney or in some other representative capacity such as executors, administrators or trustees, should reflect that person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act.

The persons named in the enclosed Instrument of Proxy are officers and/or directors of the Corporation. A shareholder has the right to appoint some other person or company (who need not be a shareholder) to represent such shareholder at the Meeting other than the persons designated in the accompanying Instrument Proxy. To exercise this right, a shareholder should cross out the names of the nominees of management and print the name of the desired person in the blank space provided in the Instrument of Proxy or should complete another appropriate instrument of proxy.

Revocation of Proxies

A shareholder who has submitted an Instrument of Proxy may revoke it at any time prior to the exercise thereof by instrument in writing signed by the shareholder or by an authorized attorney or, if the shareholder is a corporation, by a duly authorized officer, and deposited either at the offices of Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Instrument of Proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or adjournment thereof, or in any other manner permitted by law. In addition, an Instrument of Proxy may be revoked by the shareholder personally attending at the Meeting and voting the securities represented thereby or, if the shareholder is a corporation, by a representative attending at the Meeting and voting such securities.

Exercise of Discretion by Proxies

The shares represented by the Instrument of Proxy furnished by the Corporation, where the shareholder specifies a choice with respect to any matter to be acted upon, will be voted or withheld from voting on any ballot in accordance with the specification so made. In the absence of such specification, such shares will be voted in favour of the matters described in the Notice of Annual Meeting of shareholders. **The persons appointed under the form of proxy furnished by the Corporation are conferred discretionary authority with respect to amendments or variations of those matters specified in the proxy**

and with respect to any other matters that may be properly brought before the Meeting or any adjournment thereof. At the time of the mailing of this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters.

Record Date

The directors of the Corporation have set the close of business on June 25, 2004 as the record date (the "**Record Date**") for the Meeting. Only shareholders of record as at that date are entitled to receive notice of the Meeting unless after that date a shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, requests not later than ten days prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case, such transferee shall be entitled to vote such shares at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares ("**Common Shares**") and an unlimited number of preferred shares, issuable in series. The Common Shares are the only issued and outstanding voting securities of the Corporation, the holders thereof being entitled to one vote for each Common Share held. At the close of business on June 25, 2004, there were 36,466,690 Common Shares of the Corporation issued and outstanding. A quorum for the transaction of business at the Meeting is not less than two persons present holding or representing not less than 5% of the shares entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at June 25, 2004, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the issued and outstanding Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The Board of Directors currently consists of five directors, the term of office of each of whom will expire at the Meeting unless directors are not elected at the Meeting (in which case the incumbent directors continue in office until their successors are elected). At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at five and to elect five directors to succeed the present directors to serve until the next annual meeting, or until their respective successors have been elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying Instrument of Proxy for an ordinary resolution in favour of fixing the Board of Directors at five members and in favour of the election as directors of the five nominees hereinafter set forth, provided that in the event a vacancy among such nominees occurs because of death or for any other reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy:

Robert H. Stan	Donald J. Douglas
Robert G. Brawn	Donald R. Seaman
Barry T. Davies	

The persons named above are all presently directors of the Corporation and have served continuously as such since the date they first became directors as set forth below.

The following table sets forth the names of the persons proposed to be nominated for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them, as at the date hereof.

Name, Province and Country of Residence	Offices Held and When Became Director	Principal Occupation	Number of Common Shares Beneficially Owned
Robert H. Stan ⁽³⁾ Alberta, Canada	President and Chief Executive Officer and Director July 2000	President (since February 2001) and Chief Executive Officer (since September 2002) of the Corporation. From April 1, 2000 to February 2001, Vice-President of Westpine Inc. (a private mining investment company). Prior to March 31, 2000, Vice-President, Marketing and Business Development of Smoky River Coal Limited ("SRCL") (a private metallurgical coal producer).	941,280
Robert G. Brawn ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada	Chairman and Director March 2001	President of 738831 Alberta Ltd. (a private investment company) since May 20, 2003. From April 20, 2001 until May 30, 2003, Chairman of Acclaim Energy Inc., a wholly owned subsidiary of Acclaim Energy Trust. Prior thereto, Chairman of Danoil Energy Ltd. (a predecessor of Acclaim Energy Inc.).	Nil ⁽⁴⁾
Barry T. Davies Alberta, Canada	Director July 2000	President of Westpine Inc. (a private mining investment company) since April 1, 2000. From June 1997 to March 31, 2000, President and Chief Operating Officer of SRCL.	941,280
Donald J. Douglas ⁽¹⁾⁽²⁾ Alberta, Canada	Director March 2001	President and Chief Executive Officer of United Inc. (a private property development company).	590,125
Donald R. Seaman ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada	Director March 2001	President of D.R.S. Resource Investments Inc. (a private investment company).	774,276

Notes:

- (1) Member of the Audit Committee, which committee is required pursuant to the *Business Corporations Act* (Alberta).
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) A company owned by Mr. Brawn's adult children owns 543,357 Common Shares.
- (5) The Corporation does not have an executive committee.

The information as to voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Corporation by the respective nominees.

Robert H. Stan, the President, Chief Executive Officer and a director of the Corporation, was the Vice-President, Marketing and Business Development of SRCL from July 1997 to March 31, 2000. On March 31, 2000 SRCL was placed in receivership by a group of secured lenders at a time of depressed metallurgical coal markets. PricewaterhouseCoopers Inc. was appointed the receiver of SRCL. SRCL's assets were sold through a sealed-bid process conducted from May through October 2000. Barry T. Davies, a director of the Corporation, was the President and Chief Operating Officer of SRCL from June 1997 to March 31, 2000.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote proxies in the accompanying Instrument of Proxy in favour of the appointment of the firm of Collins Barrow Calgary LLP, Chartered Accountants, of Calgary, Alberta, as auditors of the Corporation, to hold office until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. Collins Barrow Calgary LLP have been auditors of the Corporation since its incorporation.

EXECUTIVE COMPENSATION

Compensation Committee

The Corporation's directors have had a standing Compensation Committee (the "**Committee**") since March 1, 2004. The Committee is composed of three directors, all of whom are unrelated directors.

The Committee is charged with the periodic review of the Corporation's compensation policies and makes recommendations with respect to the compensation of the executive officers and senior personnel of the Corporation, including those named in the Summary Compensation Table included herein (the "**Named Executive Officers**"), to the Board of Directors, which has final approval on compensation matters.

Compensation Committee Report on Compensation

TO: The Shareholders of Grande Cache Coal Corporation

The Corporation's executive officer compensation program is generally the same for all key employees including the Chief Executive Officer. The program consists of three major components: (i) salary and benefits, (ii) Common Share options, and (iii) cash bonuses.

The compensation program is intended to provide a base salary competitive within the coal mining industry among similar sized companies. The Corporation's policy in respect of the granting of options is to allow the Corporation to attract and retain key technical and managerial personnel in a competitive industry environment and to promote entrepreneurship amongst employees.

The Corporation reviews compensation levels at similar sized companies in determining salary levels for all positions including executive officers. Share options are considered an integral part of the Corporation's compensation program in that they provide an incentive for innovation and entrepreneurship among employees.

Cash bonuses and option grants are determined by the Committee subjectively taking into account each executive's salary, position and performance and then submitted to the Board of Directors for approval.

Share Option Plan

Upon the recommendation of the Committee and approval by the Board of Directors, share options are granted under the Corporation's share option plan to new directors, officers and key employees, usually upon their commencement of employment with the Corporation. Additional grants are made periodically, consistent with the individual's level of responsibility and performance within the Corporation. Share options are priced at the trading price of the Common Shares on the date of grant and generally expire five years after the date of grant.

Total option grants are presently limited to a number of shares permitted under the rules of the Toronto Stock Exchange ("**TSX**"). Grant sizes are, therefore, determined by factors including the number of eligible individuals currently under the option plan and future hiring plans of the Corporation.

The share option plan is designed to motivate executives and other key employees to focus on the long-term interests of the Corporation, and its shareholders, by providing the potential for long-term employee reward and above-average total compensation when all shareholders receive above-average long-term Common Share price performance.

Summary

The Committee believes that the Corporation's compensation policies have allowed the Corporation to attract and retain a team of talented, motivated and experienced executive officers, professionals and support staff working towards the common goal of creating and enhancing shareholder value. The Committee believes that long-term shareholder value is enhanced by compensation based upon individual and corporate performance achievements. Through the plans described above, a significant portion of the Corporation's executive compensation is based on individual and corporate performance, as well as industry-competitive pay practices.

Submitted by the Compensation Committee: Robert G. Brawn, Donald J. Douglas and Donald R. Seaman.

Compensation of Named Executive Officers

The following compensation information relates to amounts paid to the President and Chief Executive Officer, Chief Financial Officer and the only other executive officer of Grande Cache. These individuals are referred to collectively as the "Named Executive Officers".

Name and Principal Position	Fiscal Year	Annual Compensation			Long-term Compensation	All Other Compensation
		Salary	Bonus	Other Annual Compensation	Shares under Options Granted	
		(\$)	(\$)	(\$)	(#)	(\$)
Robert H. Stan President and Chief Executive Officer ⁽¹⁾	2004	180,000	Nil	⁽⁵⁾	300,000	Nil
	2003	90,000 ⁽⁴⁾	Nil	⁽⁵⁾	Nil	90,000 ⁽⁶⁾
	2002	88,500 ⁽⁴⁾	Nil	⁽⁵⁾	Nil	88,500 ⁽⁶⁾
Thomas E. Pierce Vice President, Finance and Chief Financial Officer ⁽²⁾	2004	4,125	Nil	⁽⁵⁾	125,000	Nil
Eugene Wusaty Vice President, Operations and Chief Operating Officer ⁽³⁾	2004	17,000	Nil	⁽⁵⁾	125,000	Nil

Notes:

- (1) Mr. Stan was appointed President of Grande Cache in February 2001 and Chief Executive Officer of Grande Cache in September 2002.
- (2) Mr. Pierce was appointed Vice-President, Finance and Chief Financial Officer of Grande Cache on March 15, 2004. The salary amount in the table reflects the amount paid to Mr. Pierce from March 15, 2004 to March 31, 2004.
- (3) Mr. Wusaty was appointed Vice-President, Operations and Chief Operating Officer of Grande Cache on March 1, 2004. The salary amount in the table reflects the amount paid to Mr. Wusaty from March 1, 2004 to March 31, 2004.
- (4) Represents management fees in respect of Mr. Stan's services paid to Westpine Inc., a company indirectly owned 50% by Mr. Stan and his spouse.
- (5) The value of perquisites and benefits for each Named Executive Officer was not greater than the lesser of \$50,000 and 10% of such officer's salary and bonus.
- (6) Represents contingent management fees payable to Westpine Inc. which contingent management fees were converted into Common Shares of Grande Cache on March 22, 2004 on the basis of one Common Share for each \$1.03 of outstanding contingent management fees.

Long-term Incentive Plan Awards

The Corporation made no long-term incentive plan awards during the most recently completed financial year.

Option Grants

The following table details the grants of options to purchase Common Shares of the Corporation to the Named Executive Officers during the most recently completed financial year.

Name	Options Granted ⁽¹⁾	% of Total Options Granted to Employees in Financial Year	Exercise Price	Market Value of Common Shares on the Date of Grant ⁽²⁾	Expiry Date
	(#)	(%)		(\$/share)	
Robert H. Stan	300,000	37.5%	\$1.00	N/A	March 21, 2009
Thomas E. Pierce	125,000	15.6%	\$1.00	N/A	March 21, 2009
Eugene Wusaty	125,000	15.6%	\$1.00	N/A	March 21, 2009

Notes:

- (1) The options vest as to one-third on each of the first, second and third anniversaries of the date of grant.
(2) There was no public market for the Common Shares on the date of grant of the options.

Option Exercises

The following table sets forth information with respect to options exercised by the Named Executive Officers during the most recently completed financial year and their respective option positions as at March 31, 2004.

Name	Options Exercised	Aggregate Value Realized	Unexercised Options at Year End			
			Number of Options		Value of in-the-Money Options ⁽²⁾	
			Exercisable	Unexercisable	Exercisable	Unexercisable
(#)	(#)	(#)	(#)	(\$)	(\$)	
Robert H. Stan	25,000 ⁽¹⁾	\$25,000	Nil	300,000	Nil	N/A
Thomas E. Pierce	Nil	N/A	Nil	125,000	Nil	N/A
Eugene Wusaty	Nil	N/A	Nil	125,000	Nil	N/A

Notes:

- (1) On February 6, 2004, Mr. Stan exercised 25,000 options to acquire 25,000 exchangeable redeemable preferred shares of Grande Cache which shares were issued at an exercise price of \$1.00 per share satisfied through the provision of management services by Mr. Stan to Grande Cache. On May 12, 2004, the 25,000 exchangeable redeemable preferred shares of Grande Cache received by Mr. Stan upon exercise of the options were converted into Common Shares on a 1.2307600339-for-one basis.
(2) The value of unexercisable in-the-money options at year-end is not presented as there was no public market for the Common Shares as at March 31, 2004.

Compensation of Directors

No compensation is currently paid to non-management directors in their capacity as such, nor are directors paid for attendance at Board meetings. At March 31, 2004, non-management directors held an aggregate of 400,000 options exercisable at a price of \$1.00 per share.

Employment Contracts and Termination of Employment Arrangements

Grande Cache has entered into employment agreements with Robert H. Stan, Thomas E. Pierce and Eugene Wusaty. The term of Messrs. Stan, Pierce and Wusaty's employment agreements continue indefinitely until terminated by either Grande Cache or Messrs. Stan, Pierce and Wusaty, respectively.

The employment agreements provide for a base salary of \$225,000 per annum for Mr. Stan, a base salary of \$156,000 per annum for Mr. Pierce and a base salary of \$162,000 for Mr. Wusaty. The agreements also provide for participation in Grande Cache's option plan, any performance bonus program adopted by Grande Cache, as well as additional benefits including participation in Grande Cache's group benefit plan for employees.

In the event of the constructive dismissal of the executive or termination of the employment agreement without cause, the executive is entitled to receive two (2) year's base salary plus an additional 15% for loss of benefits. If the termination or constructive dismissal occurs within two (2) years of a change of control of Grande Cache (as defined in the employment agreements), the executive will receive an additional amount equal to two (2) times the last bonus the executive received. Mr. Stan also has an election to leave Grande Cache within three (3) months of a change of control and receive the previously described payment.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Grande Cache has a share option plan (the "**Share Option Plan**") pursuant to which the directors may from time to time, at their discretion, grant to directors, officers, employees and other service providers of Grande Cache, or any of its subsidiaries, options to purchase Common Shares. The purchase price for any optioned shares is fixed by the directors. The options are non-assignable and non-transferable.

The number of Common Shares reserved for options under the Share Option Plan is fixed at 3,646,670. The maximum number of shares reserved for options may be increased by the Board of Directors upon receipt of any applicable regulatory approvals and, if required by applicable regulatory authorities, shareholder approval. The Share Option Plan provides that, among other things: the number of shares reserved for issuance to any one optionee may not exceed 5% of the aggregate number of issued and outstanding Common Shares; the maximum number of shares reserved for issuance pursuant to options granted to insiders at any time may not exceed 10% of the aggregate number of issued and outstanding Common Shares; the maximum number of shares which may be issued to insiders within a one-year period may not exceed 10% of the aggregate number of issued and outstanding Common Shares; and the maximum number of shares which may be issued to any one insider and its associates within a one-year period may not exceed 5% of the aggregate number of issued and outstanding Common Shares.

The Share Option Plan is the only equity compensation plan of Grande Cache. The following table sets forth information with respect to the options outstanding under the Share Option Plan as at June 25, 2004.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Securities Reflected in Column (a))
Equity compensation plans approved by securityholders ⁽¹⁾	1,400,000	\$1.00 per Common Share	2,246,670 Common Shares
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	1,400,000		2,246,670 Common Shares

Note:

(1) The Board of Directors of Grande Cache approved the Share Option Plan prior to the initial public offering of Grande Cache which was completed on May 12, 2004. Securityholders of Grande Cache were not required to approve the Share Option Plan at the time that it was adopted by the Board of Directors.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

To management's knowledge, no individual who is, or at any time during the most recently completed financial year was, a director, executive officer or senior officer of the Corporation, a proposed nominee for election as a director of the Corporation, or any associate of any such individual: (i) is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; or (ii) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE

The following description of the Corporation's approach to corporate governance has been prepared with reference to the corporate governance guidelines and disclosure requirements of the TSX.

Mandate of the Board

The Board of Directors is responsible for managing the business and affairs of the Corporation and discharges its responsibilities directly and through its committees. The Board supervises management, which is responsible for the day-to-day conduct of the business of the Corporation. All responsibilities for guiding the business and affairs of the Corporation that are not specifically delegated to senior management or committees of the Board reside with the full Board. The Board has responsibility for the stewardship of the Corporation including (a) adoption of a strategic planning process, (b) the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks, (c) succession planning, including appointing, training and monitoring senior management, (d) implementing a communications policy for the Corporation, and (e) the integrity of the Corporation's internal control and management information systems.

The Board's fundamental objectives are to enhance and preserve long-term shareholder value and to ensure that the Corporation meets its obligations and objectives on an ongoing basis. Board members receive and discuss reports from management on the operation of the Corporation, industry conditions, strategic plans, financial position and the details of major transactions that are contemplated. Individual Board members are also kept informed of the Corporation's operations through frequent communications with senior management.

Four regular meetings of the Board are scheduled for this year. The frequency of meetings as well as the nature of agenda items change depending upon the state of the Corporation's affairs and the opportunities and risks that the Corporation faces.

Board Composition

The Board is composed of five members, of which four are considered "unrelated directors" and one is considered a "related director" within the meaning of the TSX's guidelines. The "related director" is Mr. Stan, the Corporation's President and Chief Executive Officer. The Board believes that directors who have interests, business or other relationships with the Corporation have and will at all times declare such interest, business or other relationships and will use their best judgment to ensure that they act in the best interests of the Corporation. The Board believes that the past compensation indirectly paid to Mr. Davies in respect of management consulting services provided by Mr. Davies to the Corporation do not interfere with Mr. Davies' ability to act with a view to the best interests of the Corporation. Since May 1, 2004, Mr. Davies has not consulted to the Corporation and he is neither an employee nor a member of management. The Board of Directors satisfies the TSX's recommendation that a board be comprised of a majority of unrelated directors.

The Corporation does not have a "significant" shareholder within the meaning of the TSX's guidelines.

The Board includes highly experienced individuals in the coal mining, resource and other industries. All members are familiar with the Corporation's business, operations and principal risks. Given the level of their individual experience, orientation and education of the directors has not been formalized. Each of the Board committees, except for the Corporate Governance Committee, is composed entirely of unrelated directors. Mr. Stan, a related director, is a member of the Corporate Governance Committee. As the senior member of management, however, Mr. Stan often attends the other Board committee meetings at the invitation of the committee.

The positions and functions of Chairman and Chief Executive Officer are separate and the Chairman, Mr. Brawn, is an "unrelated director". The Board believes that it functions independently of management.

The Board of Directors believes that, having regard to the experience and backgrounds of its members, its current size of five members promotes effectiveness and efficiency.

The Board does not have formal procedures which enables an individual director to engage an outside advisor at the expense of the Corporation however the Corporation's policy is that directors can, at the expense of the Corporation, obtain outside advisors.

Board Assessment

Due to the size of the Corporation and the small number of directors on the Board, the Board does not currently have a formalized process for assessing the effectiveness of the Board, its committees and individual directors or the compensation provided to directors. These matters have historically been dealt with by the full Board of Directors through formal and informal discussions from time to time.

Division of Responsibility and Expectations of Management

As President and Chief Executive Officer of the Corporation, Mr. Stan is responsible for day-to-day management of the business of the Corporation, subject always to Board approval for Corporation plans and objectives and major decisions. The Board retains responsibility for significant changes in the Corporation's affairs such as approval of the capital expenditure budget, financing arrangements and significant acquisitions and divestitures.

Board Committees

The Corporation currently has three committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee. The Board does not have a nominating committee. Nominations have historically been the result of recruitment efforts of the full Board, a majority of which is comprised of unrelated directors.

The Audit Committee is composed of three unrelated directors and is responsible for reviewing the Corporation's financial reporting procedures, internal controls and the performance of the Corporation's external auditors.

The Compensation Committee also consists of three unrelated directors. The Compensation Committee meets at least once a year and at such other times as the committee may determine to review the remuneration package presented by the President and Chief Executive Officer for the senior officers of the Corporation. The Committee reviews the granting of stock options and makes recommendations to the full Board.

The Corporate Governance Committee is composed of two unrelated directors and one related director. The Corporate Governance Committee meets once a year and at such other times as the committee may determine to develop the approach of the Corporation to matters concerning human resources and corporate governance and, from time to time, shall review and make recommendations to the full Board as to such matters.

Decisions Requiring Board Approval

In addition to those matters that must by law be approved by the Board, management seeks Board approval for annual capital expenditure budgets, material acquisitions and dispositions and financings. Management is also expected to consult with the Board before entering into any venture that is outside of the Corporation's existing businesses or areas of expertise. The Board also approves changes in senior management.

Shareholder Communication

Due to the size of the Corporation, the Corporation does not maintain an investor relations department. Shareholder inquiries receive a prompt response from the particular senior officer best qualified to respond to such inquiry, typically the President and Chief Executive Officer or the Chief Financial Officer. Shareholders are informed through annual and quarterly reports, news releases and statutory filings. The goal of the communications policy is to ensure accurate and timely disclosure of financial results and material events.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any insider of the Corporation, any proposed nominee for election as a director, or any associate or affiliate of such persons, in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, except as disclosed elsewhere in this Information Circular. On March 22, 2004, \$378,750 of contingent management fees owing to Westpine Inc., a company one-half indirectly owned by Mr. Stan and his spouse and one-half indirectly owned by Mr. Davies and his spouse, was converted into 366,334 Common Shares. Fred Davidson, the Corporate Secretary of the Corporation, is a partner in the law firm of Burnet, Duckworth & Palmer LLP, which firm from time to time provides legal services to the Corporation.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, of any proposed nominee for election as a director of the Corporation, or of any associates or affiliates of any of the foregoing persons, in any matter to be acted on at the Meeting (other than the election of directors or the appointment of auditors).

OTHER MATTERS

Management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, the accompanying Instrument of Proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Additional financial information is provided in Grande Cache's audited consolidated financial statements and management's discussion and analysis for the financial year ended March 31, 2004.

Additional information relating to Grande Cache including the materials listed in the preceding paragraph may be found on SEDAR at www.sedar.com. Securityholders of Grande Cache may contact Grande Cache to request a copy of Grande Cache's consolidated financial statements and management's discussion and analysis at:

Grande Cache Coal Corporation
Suite 250, 703 - 6th Avenue S.W.
Calgary, Alberta T2P 0T9

Phone: (403) 543-7070
Fax: (403) 543-7092

CERTIFICATE

The contents and sending of this Information Circular have been approved by the directors of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated: June 25, 2004

(Signed) Robert H. Stan
President and Chief Executive Officer

(Signed) Thomas E. Pierce
Vice-President, Finance and Chief Financial Officer