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ROYAL COAL ANNOUNCES EXPANDED OPERATIONS

Toronto, Ontario – December 28, 2011 – NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.

Royal Coal Corp. (“**Royal Coal**”) (TSX-V: **RDA**, F: **RLC**), a US Central Appalachian producer of high BTU, low sulphur thermal coal, is pleased to announce that it has reached an agreement with Novadx Ventures Corp. (“**Novadx**”) – (TSX-V: **NDX**) and the Ikerd Group of Companies (“**Ikerd**”) pursuant to which Royal Coal will mine and sell the coal at certain leases (the “**Leases**”) held by Novadx and Ikerd in Kentucky, USA on a contract basis, including the Flatwoods mine. In exchange, and subject to regulatory approval, Novadx will be issued 15 million common shares (the “**Novadx Shares**”) of Royal Coal. In addition, Novadx will receive an ongoing cash payment of US\$2.50 per ton of coal mined by Royal Coal on the Leases up to an aggregate amount of US\$2.5 million (the “**Cash Payment**”). Once issued, the Novadx Shares will be subject to a 4 month hold period. Subject to regulatory approval, an additional 5 million common shares will be issuable by Royal Coal to Novadx if the average closing price of Royal Coal’s common shares is not greater than \$0.10 per share over a 30 day period commencing 150 days after the Novadx Shares are issued. Under the terms of the agreement with Ikerd, Ikerd and certain of its creditors will be paid an aggregate royalty of US\$2.75 per ton of coal mined by Royal Coal on the Leases.

Commented Novadx CEO Neil MacDonald, “we are very pleased to have reached agreement with all parties to enable Royal Coal to continue mining the remaining coal at the Ikerd properties. Royal Coal is the ideal operator for these properties given their existing infrastructure and proximity to the properties. We are happy to now share in this opportunity through an equity stake in Royal Coal.”

“Production from these properties compliment our existing operations including the wholly-owned Charlene Load-Out Facility,” commented Tom Griffis, Chairman of Royal Coal.

Royal Coal will also assume all ongoing mining equipment lease obligations necessary to continue operations and has agreed to make further payments to Novadx of approximately US\$500,000 (the “**Equipment Equity Payment**”) representing the equity value of the mining equipment on the expiry of the remaining terms of various equipment leases in 2012 and transfer of title to the underlying equipment to Royal Coal.

Certain lawsuits filed by Novadx against Ikerd, as announced on September 27, 2011, will be held in abeyance until all payments under the various agreements have been received by Novadx. In order to effect the settlement the Ikerd companies have agreed to transfer to Novadx

remaining outstanding and collectable receivables in the amount of \$649,000, Ikerd's residual interest in certain designated mining equipment, as well as all remaining coal inventory, property leases, permits and equipment associated with Ikerd's coal terminal operations located in Somerset, Kentucky and coal lease interests at Ikerd's Flatwoods, Elk Creek, Buncomb and Brushy mines. These coal lease interests together with certain other coal leases acquired directly by Novadx near the Flatwoods mine will be transferred by Novadx to Royal Coal once the above payments are made by Ikerd to Novadx and the full Cash Payment and the Equipment Equity Payment is made, and subject to applicable third party consents.

Royal Coal commenced initial contract mining operations at Flatwoods mine in November and at Elk Creek in December. Royal Coal's production target from the combined properties is 40-45,000 tons per month by February 2012.

About Royal Coal

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

For further information contact Tom Griffis, Chairman of Royal Coal, at (416) 861-8775, or Richard Buzbuzian, Investor Relations, at (647) 501-3290.

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This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the qualification under the securities laws of such jurisdiction.

This release contains "forward-looking information" that includes information relating to future events and future financial and operating performance, including management's assessment of Royal Coal's future outlook, potential financings, potential acquisitions and production. Specifically, this release contains forward-looking information related to increases in production capacity as the results of additional capital expenditures, future development of assets, reserves or properties. Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. Forward-looking information should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by which, that performance or those results will be achieved. Forward-looking information is based on information available at the time it is made and/or management's good faith belief as of that time with respect to future events, and such information is subject to risks and uncertainties that could cause actual performance or results to differ

materially from those expressed in or suggested by the forward-looking information. Important factors that could cause these differences include but are not limited to: pricing and assumptions and projections concerning reserves and/ or resources in our mining operations; changes in contracted sales, the business of the Company may suffer as a result of uncertainty surrounding the coal market; the Company may be adversely affected by other economic, business, and/or competitive factors; the worldwide demand for coal; the price of coal; the price of alternative fuel sources; the supply of coal and other competitive factors; the costs to mine and transport coal; the ability to obtain new mining permits; the costs of reclamation of previously mined properties; the risks of expanding coal production; the ability to bring new mines on line on schedule; industry competition; the Company's ability to continue to execute its growth strategies; the Company's ability to secure additional financing; the Company's ability to complete planned acquisitions; and general economic conditions. You should not put undue reliance on any forward-looking information. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking information, no inference should be drawn that we will make additional updates with respect to those or other forward-looking information. The company cautions readers that forward-looking statements, including without limitation those relating to the company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements.