

**CORMARK SECURITIES INC.  
FILES EARLY WARNING REPORT**

September 4, 2012 – Cormark Securities Inc. (the “Offeror”) acquired 20,000,000 common shares (each, a “Share”) and 10,000,000 warrants (each, a “Warrant”) of the issuer, Royal Coal Corp. (the “Issuer”). Collectively, with broker warrants already held by Cormark (the “Broker Warrants”), this represents approximately 14.65% of the issued and outstanding Shares, assuming exercise of the Offeror’s Warrants and Broker Warrants.

The Offeror acquired the Shares and Warrants that are the subject of this press release pursuant to a partial revocation by the Ontario Securities Commission of a cease-trade order against the Issuer, solely for the purpose of crystallizing the tax losses of certain of the Offeror’s clients. However, the Offeror may, depending on various factors including, without limitation, market and/or other conditions, increase or decrease its ownership, control or direction over Shares.

In this press release, for the purpose of calculating the percentage of securities owned, the Offeror has assumed that there are 241,740,671 Shares outstanding as of August 9, 2012, as reported by the Issuer.

This press release is issued pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which also requires a report to be filed with regulatory authorities in each of the jurisdictions in which the Issuer is a reporting issuer containing information with respect to the foregoing matters (the “Early Warning Report”). A copy of the Early Warning Report will appear with the Issuer’s documents on the System for Electronic Document Analysis and Retrieval and may also be obtained by contacting Jeff Kennedy at (416) 943-6401.

*The TSX Venture Exchange has not reviewed and does not accept the responsibility for the accuracy or adequacy of this press release.*