

**Report Pursuant to  
Section 102.1 of the *Securities Act* (Ontario) and  
Similar Provisions of other Provincial Securities Legislation**

**1. The name and address of the offeror**

AlphaNorth Asset Management (the “offeror”)  
333 Bay Street, Suite 630,  
Toronto, Ontario, M5H 2R2

**2. The designation and number or principal amount of securities and the offeror’s security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file a news release, and whether it was ownership or control that was acquired in those circumstances**

On October 11, 2012, the offeror acquired beneficial ownership of 1,000,000 shares (the “shares”) of Canada Coal Inc. (the “issuer”), at a price of \$0.025 per share. As a result, the offeror exercises control or direction over 6,750,000 common shares and 4,750,000 common share purchase warrants of the issuer, representing approximately 15.3% of the issued and outstanding common shares of the issuer (assuming exercise of all the common share purchase warrants over which the offeror exercises control or direction).

**3. The designation and number or principal amount of securities and the’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file a news release**

Immediately following the acquisition of the securities detailed in item 2 above, the offeror exercises control or direction over 6,750,000 common shares and 4,750,000 common share purchase warrants of the issuer, representing approximately 15.3% of the issued and outstanding common shares of the issuer (assuming exercise of all the common share purchase warrants over which the offeror exercises control or direction).

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (3) over which:**

**(a) the offeror, either alone or together with any joint actors, has ownership and control**

An aggregate of 6,750,000 common shares and 4,750,000 common share purchase warrants of the issuer, representing approximately 15.3% of the issued and outstanding common shares of the issuer (assuming exercise of all the common share purchase warrants over which the offeror exercises control or direction).

- (b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor**

Not applicable.

- (c) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership**

Not applicable.

- 5. The name of the market in which the transaction or occurrence that gave rise to the news release took place**

The common shares of the issuer are listed on the TSX Venture Exchange.

- 6. The value in Canadian dollars of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release**

The offeror paid \$0.025 per share.

- 7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer**

The securities described herein are being held for investment purposes only. Depending on market and other conditions, the offeror and any joint actor may from time to time in the future increase or decrease its ownership or control or direction over, or exercise its current right to acquire the common shares or other securities of the issuer, through market transactions, private agreements or otherwise.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities**

The offeror has entered into investment management agreements with entities which beneficially own the securities of the issuer, pursuant to which the offeror has been appointed to manage the investment portfolios of such entities, including making investment decisions regarding the acquisition, holding, disposition and voting of the securities of the issuer.

- 9. The names of any joint actors in connection with the required disclosure**

Not applicable.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value in Canadian dollars of the consideration paid by the offeror**

Not applicable.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities**

None.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance**

Not applicable.

- 13. The filing of this report is not an admission that an entity named in the report owns or controls any described securities or is a joint actor with another named entity.**

DATED this 15<sup>th</sup> day of October, 2012.

**ALPHANORTH ASSET MANAGEMENT**

Name: “Steven Palmer”  
Steven Palmer  
Authorized Signing Officer