

Report Pursuant to National Instrument 62-103

This report is made pursuant to the provisions of the securities legislation referred to above in connection with certain acquisitions of securities of Canada Coal Inc. (“Canada Coal”).

1. Name and address of Offeror.

Pasquale DiCapo (the “Offeror”)
130 King Street West, Suite 2210
Toronto, ON
M5X 1E4

2. Designation and number or principal amount of securities and the Offeror’s securityholding 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 the news release, and whether it was ownership or control that was acquired in those circumstances.

On October 12, 2012, the Offeror indirectly acquired beneficial ownership and control of 1,000,000 common shares of Canada Coal (the “Common Shares”). These securities represented approximately 2.3% of the then issued and outstanding Common Shares.

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

Immediately following the transaction noted in item 2 above, the Offeror owned and controlled: (i) 3,500,000 Common Shares, which are owned by the Offeror directly and indirectly; and (ii) 2,500,000 common share purchase warrants of Canada Coal (the “Warrants”) (each Warrant entitling the holder thereof to acquire one Common Share), which are owned by the Offeror directly. Such securities represented approximately 8.06% of the then issued and outstanding Common Shares (or approximately 13.06% on a partially diluted basis, assuming exercise of the Warrants held by the Offeror only).

In addition, immediately following the transaction noted in item 2 above, a joint actor of the Offeror (the “Joint Actor”) (see item 8 below) owned and controlled 1,720,400 broker warrants, (the “Broker Warrants”), each Broker Warrant entitling the holder thereof to acquire one Common Share. Such securities represented: (i) approximately 3.81% of the then issued and outstanding Common Shares on a partially diluted basis assuming exercise and Broker Warrants held by the Joint Actor only; and (ii) when taken together with the securities directly and indirectly owned by the Offeror, represented approximately 8.06% of the then issued and outstanding Common Shares (or approximately 16.2% on a partially diluted basis, assuming exercise of the Warrants and Broker Warrants held by the Offeror and Joint Actor only).

4. 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;

See item 3 above.

(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; and

NIL

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

NIL

5. The name of the market where the transaction or occurrence that gave rise to the news release took place.

TSX Venture Exchange.

5.1 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 the news release.

The Common Shares noted in item 2 above were acquired at a cost of \$0.029 per share.

6. 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 Common Shares noted in item 2 above were acquired for investment purposes. The Offeror and the Joint Actor may from time to time acquire additional securities of Canada Coal, dispose of some or all of the existing or additional securities of Canada Coal they hold or will hold, or may continue to hold their current positions depending on market conditions or any other relevant factor.

7. 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, or disposition or voting of any of the securities.

N/A

8. Names of joint actors in connection with the disclosure required by this Appendix.

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9. 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 of the consideration paid by the Offeror.

N/A/

10. 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 of Part 4 in respect of the reporting issuer's securities.

N/A

11. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance.

N/A

DATED as of the 17th day of October, 2012.

“Pasquale DiCapo”

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