



FOR IMMEDIATE RELEASE

LOGISTICS REPORT RECEIVED FOR ARCTIC COAL PROPERTIES

October 22nd, 2012, Vancouver, BC, Canada – Canada Coal Inc. (the “Company” or “Canada Coal”), (TSX-V: CCK) is pleased to announce the receipt of the Ice and Marine Shipping Assessment conducted by Enfotec Technical Services (the "Report"). This Report is now available on Canada Coal's web page. The focus of the Report was to provide a detailed ice study and analysis of marine accessibility of Ellesmere Island's West Fosheim Peninsula. The findings of the Report in relation to ice conditions and possible shipping scenarios are in line with the Company's expectations. Shipping windows of 2, 3 and 6 months have been considered using Polar Class 3 vessels to transport up to 5.25 million tons per year.

The Company will seek to proceed to the next level of its exploration phase which will inter alia include a more detailed shipping study, hydrographic surveying, port infrastructure analysis as well as ways to further improve future logistical solutions. Continued exploration is now being planned for 2013 to further explore the known high grade thermal coal deposits and continue to explore for metallurgical coal deposits.

Braam Jonker, Chief Executive Officer and President of Canada Coal stated that: "We are encouraged by the findings of the Enfotec report and are excited to have confirmed the presence of high grade thermal coal with low sulphur and ash in our Ellesmere Island license areas. We are now planning a more detailed logistics study as well as a follow up to our successful 2012 exploration program. We will continue to consult with local communities and relevant regulatory authorities and communicate on a transparent basis with all stakeholders." Mr. Jonker further states, "Canada Coal is currently examining the potential for thermal coal on its arctic coal licenses as a solution for the current energy challenges in Nunavut. As part of this process, the Company will evaluate various fuel power generation technologies including coal to liquids (CTL) and coal water slurry (CWS)."

In compliance with National Instrument 43-101, Standards of Disclosure for Mineral Projects, Susan O'Donnell, B.Sc., P.Geol., of DMT Geosciences Ltd., is the Qualified Person responsible for the accuracy of this news release.

About Canada Coal

Canada Coal is a publically listed company focused on coal exploration and development in Nunavut. Through its two wholly-owned subsidiaries, Canada Sovereign Coal Corp. and 5200 Nunavut Ltd., Canada Coal holds 75 active licenses comprising approximately 2,442,627 acres located on Ellesmere Island and Axel Heiberg Island in Nunavut (the “**Nunavut Coal Property**”). Canada Coal commissioned a National Instrument 43-101 compliant technical report in respect of the Nunavut Coal Property, dated September 30, 2011 entitled “*The Nunavut Coal Project-Ellesmere Island and Axel Heiberg Island, Nunavut, Canada*” prepared by Keith McCandlish, P. Geol., P. Geo., and Susan O'Donnell, P. Geol., of DMT Geosciences Ltd. (formerly Associated Geosciences Ltd.), Calgary, Alberta, Canada, a copy of which is available on SEDAR at www.sedar.com.



On behalf of the Board of Directors

“Braam Jonker”

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The TSX Venture Exchange has in no way passed upon the merits of the Transaction and neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This news release includes certain “forward-looking information” under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive regulatory approvals; the price of mineral resources; and the results of current exploration and testing. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Canada Coal disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.