

CANADA COAL FILES NEW INDEPENDENT TECHNICAL REPORT FOR NUNAVUT COAL PROPERTIES

December 12th, 2012, Vancouver, BC, Canada – Canada Coal Inc. (the “Company” or “Canada Coal”), (TSX-V: CCK) is pleased to announce that it has filed an updated independent technical report for its Nunavut Coal Properties, that consist of seven coal licence areas, made up of 75 active licenses spanning approximately 2,442,627 acres. The report details the results of Canada Coal’s extensive 2012 mapping and sampling program and is compliant with the Canadian Securities Administrator’s National Instrument 43-101 Form 43-101 F1 *Standards of Disclosure for Mineral Projects (“NI 43-101”)* as well as the Geological Survey of Canada paper 88-21, *A Standardized Coal Resource/Reserve Reporting System for Canada*.

Report Highlights

- High priority drill targets to further define coal deposits in Phase 2 program
- Multiple highly prospective coal zones in close proximity to tidewater
- Consistently low sulphur and low ash, high quality thermal coal in samples

Geological mapping and surface sampling results from the 2012 exploration program have confirmed the presence of widespread coal occurrences within Canada Coal’s Fosheim Peninsula exploration licences. The 2012 program was successful in identifying numerous targets at surface exhibiting over 5 kilometer strike lengths and comprising multiple seams aggregating over 15 meters of low-sulphur and low-ash, high quality thermal coal which form the basis of a proposed Phase 2 exploration drilling program detailed in the Technical Report. The Company intends to focus future exploration within the Fosheim Peninsula region.

The proposed Phase 2 exploration drilling program will target four to six high priority coal zones with the aim of delineating coal of sufficient continuity, rank, and quantity to develop an NI 43-101 compliant coal resource estimate*. At present, Canada Coal has applied to permit 80 drill holes including 30 primary drill holes, 37 secondary drill holes, and 14 wildcat holes and intends to drill approximately 9,000 m of core as part of the proposed Phase 2 exploration program.

Braam Jonker, President and CEO of Canada Coal stated, “We are very pleased with the outcome of our 2012 exploration program, confirming the presence of abundant high quality thermal coal with low ash and sulphur levels in the Fosheim Peninsula region. Historical reports indicate the presence of a multi-billion tonne coal resource (not NI43-101 compliant) on our Fosheim license areas. The focus of our Phase 2 work program is to commence the establishment of a NI 43-101 compliant coal resource* on the most prospective areas as identified by our Phase 1 program and to test for high grade metallurgical coal at deeper levels.

At this stage of development, Canada Coal is well positioned for growth, and if successful 2013 could be a milestone year for the company. We are committed to working with all of our stakeholders and local communities in order to create opportunities and possible energy independence for Nunavut.”



The technical report, entitled “Updated Independent Technical Report, the Nunavut Coal Project” and dated November 26th, 2012 was prepared by DMT Geosciences Ltd. (“DMT”) of Calgary Alberta. The Technical Report is available under the Company’s profile on SEDAR at www.sedar.com and the full report is available on the Company's website at www.canadacoal.com.

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 Independent Qualified Person responsible for the accuracy of this news release and is also the author of the Technical Report.

*There is no guarantee that the Phase 2 exploration program will result in a coal resource estimate; however, based on substantial mapping and sampling results from the 2012 program, the Company has a reasonable expectation that it will be able to develop a resource estimate through drilling.

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 Hieberg Island in Nunavut (the “**Nunavut Coal Property**”).

On behalf of the Board of Directors
“Braam Jonker”
President and Chief Executive Officer

Phone: 1-604-638-0971

Fax: 1-604-638-0973

Website: www.canadacoal.com

E-mail: info@canadacoal.com

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.