

FOR IMMEDIATE RELEASE

**CANADA COAL TO ACQUIRE AN ADDITIONAL 280,000 ACRES OF COAL LICENCES AT ITS FOSHEIM PENINSULA PROPERTY**

December 19<sup>th</sup>, 2012, Vancouver, BC, Canada – Canada Coal Inc. (the “Company” or “Canada Coal”), (TSX-V: CCK) is pleased to announce that it has applied for an additional 11 coal exploration licences within the Fosheim Peninsula region on Ellesmere Island. Once granted, these licences will add an additional 280,000 acres to Canada Coal’s project area in key areas surrounding planned exploration drill targets, taking the Company’s total coal licence holdings to 86 licences covering approximately 2,722,627 acres. The Company has a reasonable expectation that the additional coal exploration licences will be granted in sufficient time to be included in the planned Phase 2 exploration drilling program.

Multiple high quality thermal coal deposits were discovered on the Company’s arctic coal license areas located in Nunavut through its 2012 exploration program. Well over 100 coal seams on the Company’s Fosheim Peninsula project area were assessed, resulting in the identification of extensive zones of low-sulphur, low-ash, subbituminous, thermal coal. The Fosheim Peninsula is the company’s primary exploration target and one of six coal license areas currently owned by the Company.

Historic Coal Data Overview: [http://www.canadacoal.com/index.php?page=historic\\_data](http://www.canadacoal.com/index.php?page=historic_data)

Braam Jonker, President and CEO of Canada Coal comments, “These strategic acquisitions fortify the company’s coal license holdings in key areas identified throughout the 2012 exploration program. Additional acreage has been applied for in order to extend property borders in areas where high quality thermal coal was discovered with low sulphur and low ash content. We have now commenced permitting for the upcoming Phase 2 exploration drilling program and anticipate between 9,000-10,000 meters of drilling to be conducted.”

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.

**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 to the Nunavut Coal Property, dated September 30, 2011 entitled “*The Nunavut Coal Project-Ellesmere Island and Axel Heiberg Island, Nunavut, Canada*” as well as an “Updated Independent Technical Report,” dated November 26<sup>th</sup>, 2012, 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 each report is



available on SEDAR at [www.sedar.com](http://www.sedar.com).

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

**Phone:** 1-604-638-0971

**Website:** [www.canadacoal.com](http://www.canadacoal.com)

**E-mail:** [info@canadacoal.com](mailto: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.