



GRANDE CACHE COAL CORPORATION

NEWS RELEASE

GRANDE CACHE COAL CORPORATION ANNOUNCES THIRD QUARTER FISCAL 2010 FINANCIAL AND OPERATING RESULTS

Calgary, Alberta, February 10, 2010 – Grande Cache Coal Corporation (GCE-TSX) ("Grande Cache Coal" or the "Corporation") today announced its financial and operating results for the three and nine months ended December 31, 2009. The Corporation's unaudited consolidated financial statements and related management's discussion and analysis for its quarter ended December 31, 2009 are available at www.sedar.com and the Corporation's website at www.gccoal.com.

- Third quarter net income was \$4.3 million, or \$0.04 per basic and diluted share, versus net income of \$36.8 million, or \$0.38 per basic and diluted share, in the comparable period last year. Net income for the year to date was \$18.7 million, or \$0.19 per basic and diluted share, compared to \$87.2 million (\$1.00 per basic share and \$0.96 per diluted share) during the first nine months of last fiscal year.
- At December 31, 2009, the Corporation held cash and cash equivalents of \$100.5 million, up from \$80.1 million at September 30, 2009.
- Third quarter coal sales were 0.47 million tonnes, compared to 0.36 million tonnes sold in the same period of fiscal 2009. Total sales volumes for the first nine months of fiscal 2010 were 1.34 million tonnes, 41% higher than 0.95 million tonnes sold during the same period last year.
- Grande Cache Coal earned revenue of \$62.4 million during the current quarter and \$181.8 million for the year to date, compared to \$91.9 million and \$209.9 million in the comparable periods of last year when prices were at record high levels. The reduction in revenue was primarily due to lower coal prices in the current fiscal year, offset somewhat by higher sales volumes. The average third quarter sales price was \$134 per tonne, versus \$254 per tonne in the same period last year.
- Third quarter cost of sales was \$106 per tonne, down from \$128 per tonne in the comparable period of fiscal 2009. For the fiscal year to date, cost of sales was \$102 per tonne, down from \$121 per tonne in the first nine months of last fiscal year. A decrease in contractor services, maintenance costs and diesel fuel prices contributed to the cost improvement.
- As previously announced, Grande Cache Coal received final regulatory approval to proceed with the development of its new No. 8 surface mine. Development of the new mine has commenced with initial surface preparation and road construction. Following receipt of the approval the Corporation launched a strategic expansion initiative to increase clean coal production levels at the existing operations to over 3 million tonnes per year by fiscal 2013.

- For fiscal 2010, the Corporation anticipates that metallurgical coal sales volumes will be in the range of 1.6 to 1.8 million tonnes, at an average price in the range of US\$115 to US\$125. The average cost of sales for fiscal 2010 is expected to be approximately \$105 per tonne, down from previous guidance of \$110 to \$115 per tonne.
- The Corporation anticipates sales volumes for fiscal 2011 will be in the range of 2.0 to 2.2 million tonnes. Final pricing will be dependent on market conditions.

"The World Steel Association is now forecasting that the worldwide demand for steel in 2010 will return to the pre-recession levels of 2008," said Robert Stan, President and Chief Executive Officer. "As a result, the market outlook for metallurgical coal in the next fiscal year continues to be robust and we believe our company is well positioned to take advantage of strong market conditions. Development work at our No. 8 mine is progressing well and will be a key component of our plans to increase production at our existing operations to 3 million tonnes per year by fiscal 2013."

Financial Overview

<i>(millions of dollars)</i>	As at December 31 2009	As at March 31 2009
Balance Sheet		
Cash and cash equivalents	100.5	68.0
Total assets	326.7	259.2
Long-term liabilities	54.2	16.7
Shareholders' equity	248.6	228.4

<i>(millions of dollars, except per share amounts)</i>	Three months ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Statement of Net Income and Comprehensive Income				
Revenue	62.4	91.9	181.8	209.9
Cost of sales	49.5	46.3	136.3	115.8
Income from operations	5.5	41.3	25.7	81.8
Net income and comprehensive income	4.3	36.8	18.7	87.2
Basic net income per share	0.04	0.38	0.19	1.00
Diluted net income per share	0.04	0.38	0.19	0.96

<i>(millions of tonnes, except per tonne amounts)</i>	Three months ended		Nine months ended	
	December 31		December 31	
	2009	2008	2009	2008
Statistics				
Clean coal production (tonnes)	0.42	0.35	1.19	1.05
Coal sales (tonnes)	0.47	0.36	1.34	0.95
Average sales price (US\$/tonne)	131	213	128	201
Average sales price (CDN\$/tonne)	134	254	136	220
Cost of product sold (\$/tonne)	76	96	74	87
Distribution costs (\$/tonne)	30	32	28	34
Cost of sales (\$/tonne)	106	128	102	121

Revenue

The Corporation's third quarter revenue was \$62.4 million compared to \$91.9 million in the same period last year. Current quarterly sales volumes of 0.47 million tonnes were 31% higher than the comparable quarter, mainly because of sales into China. The decrease in revenue was due largely to lower coal price contracts for the current coal year, which commenced April 1, 2009. For the fiscal year to date, revenue was \$181.8 million, down from \$209.9 million in the first nine months of fiscal 2009. Coal sales in the current fiscal year to date were 1.34 million tonnes (fiscal 2009 – 0.95 million tonnes) driven by a recovery in demand from traditional customers and sales to new customers in China.

The average sales price in the third quarter was \$134 per tonne, down from \$254 per tonne in the comparable period. Metallurgical coal sales accounted for 95% of the third quarter sales volumes and realized an average price of \$138 per tonne (US\$130 per tonne). The remaining sales volumes related to thermal coal sales. For the fiscal year to date, the average sales price was \$136 per tonne, down from \$220 per tonne in the same period last fiscal year. The decrease in price relates primarily to lower hard coking coal contract price settlements in the current coal year.

Cost of Sales

Cost of sales was \$49.5 million, or \$106 per tonne, in the current quarter compared to \$46.3 million, or \$128 per tonne in the same period last year. The cost of sales in the third quarter consisted of cost of product sold of \$35.3 million (\$76 per tonne) and distribution costs of \$14.2 million (\$30 per tonne). In the comparable quarter of fiscal 2009, the cost of product sold was \$34.7 million (\$96 per tonne) and distribution costs were \$11.6 million (\$32 per tonne).

The decrease in the unit cost of product sold related to reduced use of contractor services, lower maintenance costs and a decrease in the price of diesel fuel. Also contributing to the improvement was higher operating productivities and a lower strip ratio in the surface mine. The unit cost of distribution was lower in the third quarter compared to last year because of lower rail costs due to a reduction of fuel surcharges included in the rail rates.

For the first nine months of the fiscal year, cost of sales was \$136.3 million, or \$102 per tonne, compared to \$115.8 million, or \$121 per tonne, in the first nine months of last year. Included in the current year was cost of product sold of \$98.4 million (\$74 per tonne) and distribution costs of \$37.9 million (\$28 per tonne). In the comparable period of fiscal 2009, the cost of product sold was \$82.8 million (\$87 per tonne) and distribution costs were \$33.0 million (\$34 per tonne).

The unit cost of product sold was lower during the first nine months of the fiscal year, compared to the same period last year, due to a reduction of costs incurred on external contractor services, equipment maintenance, and diesel fuel. There

were also improved productivities throughout various areas of the operations, further contributing to a lower unit cost of product sold. The unit cost of distribution for the year to date was down from the comparable period due to a lower proportion of shipments going to eastern Canada, which carry higher rail rates than shipments to the west coast, as well as a reduction of fuel surcharges included in the rail rates. In addition, demurrage charges were lower in the first nine months of the current fiscal year, compared to the same period last year.

Other Operating Expenses

General and administrative expenses were \$3.1 million during the third quarter, up from \$1.5 million in the same period last year. General and administrative expenses included head office administrative and marketing charges of \$1.8 million (fiscal 2009 - \$1.3 million), non-cash charges for stock-based compensation of \$0.3 million (fiscal 2009 - \$0.2 million) and a \$1.0 million donation to the town of Grande Cache to redevelop the local recreation centre. Fiscal year to date general and administrative expenses were \$7.3 million, compared to \$5.1 million in the first nine months of last fiscal year.

Depreciation, depletion and accretion was \$4.4 million in the third quarter (fiscal 2009 – \$2.8 million) and \$12.5 million for the fiscal year to date (fiscal 2009 - \$7.3 million). The increase was caused by higher coal production, the addition of capital assets and the change in value of depreciation and depletion included in coal inventory.

Other Income (Expenses)

The Corporation had a foreign exchange gain of \$1.6 million during the third quarter compared to a gain of \$10.4 million in the comparable period of last year. The foreign exchange gain in last year's third quarter was caused by a significant weakening of the Canadian dollar against the US dollar. For the fiscal year to date, the Corporation's foreign exchange loss was \$2.9 million in contrast to an \$11.3 million gain in the first nine months of the prior fiscal year.

The Corporation recorded an unrealized foreign exchange loss of \$0.3 million in the third quarter relating to foreign exchange forward contracts. For the fiscal year to date, the unrealized foreign exchange gain on the forward contracts was \$2.7 million.

Interest and other income were \$0.1 million in the third quarter (fiscal 2009 - \$0.2 million) and \$0.3 million for the fiscal year to date (fiscal 2009 - \$0.6 million). Interest and other income consists primarily of interest earned on restricted cash, interest earned on short term investments and access fees charged for the use of roads and bridges belonging to the Corporation.

Interest and other expenses were \$0.4 million during the three and nine months ended December 31, 2009, and related mainly to interest charges on capital leases. In fiscal 2009 interest and other expenses were nil in the third quarter and \$0.5 million for the fiscal year to date, and consisted primarily of interest paid on the revolving and long term debt.

Taxes

Third quarter tax expenses were \$2.2 million and included a current tax expense of \$0.5 million for provincial Crown royalties and a future income tax expense of \$1.7 million. During the third quarter of fiscal 2009, the Corporation incurred tax expenses \$15.2 million, which included \$0.8 million for provincial Crown royalties and income tax expenses of \$14.4 million. Fiscal year to date tax expenses were \$6.7 million compared to \$5.9 million during the first nine months of the previous fiscal year.

Liquidity and Capital Resources

At December 31, 2009, Grande Cache Coal had cash and cash equivalents of \$100.5 million. The Corporation's cash position increased \$20.4 million during the third quarter and \$32.4 million during the first nine months of the fiscal year. In the comparable periods of fiscal 2009, the Corporation's cash position increased \$65.6 million in the third quarter and \$83.4 million during the year to date.

Operating activities during the third quarter generated \$22.5 million in cash compared to \$77.1 million in the same period last year. Cash generated prior to changes in non-cash working capital was \$10.7 million in the current quarter and \$39.6 million during the comparable period. During the first nine months of the fiscal year, cash generated by operating activities before changes in non-cash working capital was \$38.0 million down from \$83.6 million last year. Higher coal prices in the prior fiscal year led to greater net income, which was a major contributor to the higher cash generation in the previous fiscal year.

Financing activities resulted in a cash increase of \$6.6 million during the third quarter and \$4.6 million for the year to date. During the current quarter, the Corporation entered into a sale leaseback agreement for an Hitachi EX5500 hydraulic excavator that was purchased during the second quarter of fiscal 2010, resulting in cash proceeds of \$10.7 million. Payments towards capital lease obligations were \$4.3 million in the third quarter and \$6.7 million for the fiscal year to date. Financing activities in the first nine months of the prior fiscal year generated cash of \$15.3 million and included cash proceeds of \$17.4 million from the exercise of warrants, cash proceeds of \$2.9 million related to the exercise of share options and cash payments of \$5.0 million towards a revolving debt facility.

Investing activities in the third quarter resulted in a cash decrease of \$9.0 million, which included building and equipment additions (\$4.2 million) and development of mineral properties (\$1.2 million). In addition, the Corporation provided cash secured letters of credit in the amount of \$3.6 million to the Alberta Government for security to cover future anticipated costs of reclamation relating to the new No. 8 surface mine, which was approved during the quarter. Year to date investing activities led to a cash decrease of \$38.3 million (fiscal 2009 - \$35.5 million) and consisted of the addition of buildings and equipment totaling \$30.3 million (fiscal 2009 - \$29.7 million), the development of mineral properties totaling \$2.8 million (fiscal 2009 - \$4.2 million) and restricted cash of \$3.6 million (fiscal 2009 - \$1.9 million). Included in the additions to buildings and equipment during fiscal 2010 was the purchase of a new Hitachi EX5500 hydraulic excavator at a cost of \$11.0 million.

In June 2009, the Corporation entered into an agreement with HSBC Bank Canada to provide the Corporation with a credit facility up to \$25 million and the ability to enter into foreign exchange hedging arrangements. During the first quarter the Corporation entered into a series of foreign exchange forward contracts to sell a total of US\$45 million at an average rate of Canadian dollars 1.157 to the US dollar. During the third quarter the Corporation entered into a series of foreign exchange forward contracts to sell a total of US\$48 million at an average rate of Canadian dollars 1.065 to the US dollar. At December 31, 2009, US\$68 million of the foreign exchange forward contracts were outstanding, all of which will mature by September 2010.

In order to ensure the continued availability of, and access to, facilities and services to meet operational requirements, the Corporation has entered into multi-year agreements for the lease of coal properties, light vehicles, equipment, buildings and office space.

At December 31, 2009, the Corporation had commitments to purchase a new P&H Electric Mining Shovel and a new P&H Electric Blasthole Drill. Commitments owing on this equipment totalled approximately \$23.4 million, which included US dollar commitments of US\$19.2 million.

Under contracts existing at December 31, 2009, future minimum undiscounted amounts payable were as follows:

<i>(millions of Canadian dollars)</i>	Payments Due by Period				
	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Contractual Obligations					
Leases	46.9	9.7	19.5	17.0	0.7
Purchase Obligations	23.4	23.4	-	-	-
Total Contractual Obligations	70.3	33.1	19.5	17.0	0.7

Summary of Quarterly Results

<i>(millions, except per unit amounts)</i>	Fiscal 2010			Fiscal 2009				Fiscal 2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Clean coal production (tonnes)	0.42	0.43	0.34	0.26	0.35	0.43	0.27	0.37
Coal sales (tonnes)	0.47	0.36	0.51	0.11	0.36	0.34	0.25	0.42
Average sales price (US\$/tonne)	131	120	129	292	213	214	165	94
Average sales price (CDN\$/tonne)	134	124	147	364	254	223	166	95
Cost of product sold (\$/tonne)	76	57	84	72	96	69	97	59
Distribution costs (\$/tonne)	30	27	27	24	32	35	38	27
Cost of sales (\$/tonne)	106	84	111	96	128	104	135	86
Revenue	62.4	44.8	74.6	38.7	91.9	76.6	41.3	39.9
Income (loss) from operations	5.5	9.5	10.7	24.5	41.3	36.4	4.0	(0.8)
Net income (loss)	4.3	9.3	5.1	18.9	36.8	47.1	3.4	(1.2)
Basic net income (loss) per share	0.04	0.10	0.05	0.20	0.38	0.52	0.04	(0.02)
Diluted net income (loss) per share	0.04	0.09	0.05	0.20	0.38	0.51	0.04	(0.02)

The Corporation's average sales price was down from fiscal 2009 as current coal year contracts were settled at lower levels than record high prices negotiated during the previous coal year. The cost of product sold was up from the previous quarter due to an increase in mining input costs and higher maintenance expenses. Distribution costs in the current quarter increased from the previous three quarters because of demurrage charges, however they were lower than the first three quarters of fiscal 2009 during which time costs were higher than normal largely because of the inclusion of fuel surcharges in rail rates.

Outlook

Metallurgical Coal Markets

For fiscal 2010, the Corporation anticipates that sales volumes will be in the range of 1.6 to 1.8 million tonnes, up from the previous expectation of 1.5 to 1.7 million tonnes. The increase is due to a continuing recovery in demand from traditional customers and sales to new customers in China. The projected increase is contingent upon continuing demand from China as well as adequate clean coal production, rail service and vessel arrivals. The average US dollar denominated sales price for fiscal 2010 is projected to be in the range of US\$115 to US\$125 per tonne, which will include carryover shipments from the prior coal year, spot sales and contract sales for the coal year that commenced April 1, 2009.

The Corporation anticipates that sales volumes for fiscal 2011 will be in the range of 2.0 to 2.2 million tonnes. Price discussions have commenced with customers for fiscal 2011 but agreements have not yet been reached.

Operations

The Corporation has achieved certain productivity improvements and cost reductions during the first nine months of the fiscal year. There will continue to be a focus on these initiatives over the remainder of the current fiscal year and into the fiscal year commencing April 1, 2010. The average cost of sales for fiscal 2010 is anticipated to be approximately \$105 per tonne, down from previous guidance of \$110 to \$115 per tonne.

Capital Expenditures

Capital additions are expected to total approximately \$85 million during fiscal 2010. In addition, the Corporation anticipates making approximately \$9.0 million in deposits on equipment that will be delivered during fiscal 2011. Remaining fiscal 2010 capital expenditures are expected to be funded by existing cash and cash flow from operations.

Grande Cache Coal Corporation
Consolidated Balance Sheets
(thousands of Canadian dollars)

(unaudited)	As at December 31 2009	As at March 31 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 100,471	\$ 68,035
Restricted cash	12,010	8,440
Accounts receivable	13,703	15,153
Inventory	26,547	49,800
Prepaid expenses	319	965
	<u>153,050</u>	<u>142,393</u>
Deposit for future reclamation expenditures	82	82
Capital assets	<u>173,567</u>	<u>116,707</u>
	<u>\$ 326,699</u>	<u>\$ 259,182</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 16,375	\$ 13,078
Future income taxes	643	886
Current portion of capital lease obligations	6,869	52
	<u>23,887</u>	<u>14,016</u>
Asset retirement obligations	8,183	6,429
Future income taxes	15,775	10,298
Capital lease obligations	30,253	-
	<u>78,098</u>	<u>30,743</u>
Shareholders' Equity		
Share capital	195,409	194,541
Contributed surplus	3,968	3,362
Retained earnings	49,224	30,536
	<u>248,601</u>	<u>228,439</u>
	<u>\$ 326,699</u>	<u>\$ 259,182</u>

Grande Cache Coal Corporation
Consolidated Statements of Net Income, Comprehensive Income and Retained Earnings
(thousands of Canadian dollars, except per share amounts)

(unaudited)	Three months ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Revenue	\$ 62,388	\$ 91,944	\$ 181,766	\$ 209,924
Expenses				
Cost of product sold	35,259	34,762	98,411	82,753
Distribution	14,196	11,582	37,847	33,033
General and administrative	3,096	1,481	7,344	5,076
Depreciation, depletion and accretion	4,367	2,802	12,484	7,269
	<u>56,918</u>	<u>50,627</u>	<u>156,086</u>	<u>128,131</u>
Income from operations	5,470	41,317	25,680	81,793
Other income (expenses)				
Foreign exchange gains (losses)	1,646	10,421	(2,934)	11,286
Unrealized (losses) gains on foreign exchange forward contracts	(266)	-	2,739	-
Interest and other income	89	243	319	611
Interest and other expenses	(403)	(19)	(431)	(529)
	<u>6,536</u>	<u>51,962</u>	<u>25,373</u>	<u>93,161</u>
Income before taxes	6,536	51,962	25,373	93,161
Taxes				
Current tax expense	(484)	(9,610)	(1,451)	(10,602)
Future income taxes expense	(1,736)	(5,545)	(5,234)	4,666
	<u>4,316</u>	<u>36,807</u>	<u>18,688</u>	<u>87,225</u>
Net income and comprehensive income	4,316	36,807	18,688	87,225
Retained earnings (deficit), beginning of period	44,908	(25,265)	30,536	(75,683)
Retained earnings, end of period	\$ 49,224	\$ 11,542	\$ 49,224	\$ 11,542
Net income per share				
Basic	\$ 0.04	\$ 0.38	\$ 0.19	\$ 1.00
Diluted	\$ 0.04	\$ 0.38	\$ 0.19	\$ 0.96

Grande Cache Coal Corporation
Consolidated Statements of Cash Flows
(thousands of Canadian dollars)

(unaudited)	Three months ended		Nine months ended	
	December 31		December 31	
	2009	2008	2009	2008
Cash provided by (used for)				
Operating activities				
Net income and comprehensive income	\$ 4,316	\$ 36,807	\$ 18,688	\$ 87,225
Items not affecting cash				
Stock-based compensation	326	244	957	659
Unrealized foreign exchange (gains) losses	(354)	(5,816)	3,378	(6,709)
Unrealized losses (gains) on foreign exchange forward contracts	266	-	(2,739)	-
Future income taxes	1,736	5,545	5,234	(4,666)
Depreciation, depletion and accretion	4,367	2,802	12,484	7,269
Settlement of asset retirement obligations	-	-	-	(146)
	<u>10,657</u>	<u>39,582</u>	<u>38,002</u>	<u>83,632</u>
Net change in non-cash working capital relating to operating activities	<u>11,832</u>	<u>37,500</u>	<u>32,175</u>	<u>13,353</u>
	<u>22,489</u>	<u>77,082</u>	<u>70,177</u>	<u>96,985</u>
Financing activities				
Proceeds on exercise of options	171	-	517	2,948
Payments on capital lease obligations	(4,294)	(13)	(6,696)	(47)
Net proceeds from capital lease financing	10,729	-	10,729	-
Repayment on revolving debt	-	-	-	(5,000)
Proceeds on exercise of warrants	-	-	-	17,354
Share issuance costs	-	-	-	(2)
	<u>6,606</u>	<u>(13)</u>	<u>4,550</u>	<u>15,253</u>
Investing activities				
Additions to mineral properties and development	(1,181)	(2,144)	(2,821)	(4,192)
Additions to buildings and equipment	(4,240)	(14,752)	(30,340)	(29,723)
Restricted cash	(3,570)	-	(3,570)	(1,912)
Net change in non-cash working capital relating to investing activities	<u>(23)</u>	<u>(410)</u>	<u>(1,552)</u>	<u>313</u>
	<u>(9,014)</u>	<u>(17,306)</u>	<u>(38,283)</u>	<u>(35,514)</u>
Effect of foreign exchange on cash and cash equivalents	<u>272</u>	<u>5,816</u>	<u>(4,008)</u>	<u>6,709</u>
Increase in cash and cash equivalents	<u>20,353</u>	<u>65,579</u>	<u>32,436</u>	<u>83,433</u>
Cash and cash equivalents, beginning of period	<u>80,118</u>	<u>22,092</u>	<u>68,035</u>	<u>4,238</u>
Cash and cash equivalents, end of period	<u>\$ 100,471</u>	<u>\$ 87,671</u>	<u>\$ 100,471</u>	<u>\$ 87,671</u>

Grande Cache Coal is an Alberta based metallurgical coal mining company whose experienced team of coal professionals are managing a mine that produces metallurgical coal for the steel industry and holds coal leases covering over 22,000 hectares in the Smoky River Coalfield located in west-central Alberta. Grande Cache Coal's common shares are listed on the Toronto Stock Exchange under the trading symbol "GCE".

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ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

In the interest of providing Grande Cache Coal's shareholders and potential investors with information regarding Grande Cache Coal, including management's assessment of Grande Cache Coal's future plans and operations, certain statements in this news release are "forward-looking statements" within the meaning of applicable Canadian securities legislation. In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project", "plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this news release speak only as of the date of this document and are expressly qualified by this cautionary statement.

Specifically, this news release contains forward-looking statements relating to: anticipated sales volumes of metallurgical coal in fiscal 2010 and fiscal 2011; anticipated sales prices in fiscal 2010; anticipated cost of product sold in fiscal 2010; management of coal production in fiscal 2010; future development activities and related capital expenditures; the capital expenditure program for fiscal 2010; funding sources for the capital expenditure program; and future coal production levels.

These forward-looking statements are based on certain key assumptions regarding, among other things: no material disruption in production; no material variation in anticipated coal sales volumes; no material variations in markets and pricing of metallurgical coal other than anticipated variations; continued availability of and no material disruption in rail service and port facilities; no material delays in the current timing for completion of ongoing projects; financing will be available on terms favourable to the Corporation; no material variation in historical coal purchasing practises of customers; coal sales contracts will be entered into with new customers; parties execute and deliver contracts currently under negotiation; and no material variations in the current regulatory environment. The reader is cautioned that such assumptions, although considered reasonable by Grande Cache Coal at the time of preparation, may prove to be incorrect.

Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: changes in general economic, market and business conditions; uncertainties associated with estimating the quantity and quality of coal reserves and resources; commodity prices, currency exchange rates, the availability of credit facilities for capital expenditure requirements, debt service requirements; dependence on a single rail system; changes to legislation; liabilities inherent in coal mine development and production; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, mining and processing technical problems; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining and coal

processing operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in coal mine development and production; and other factors, many of which are beyond the control of Grande Cache Coal. These risk factors are discussed in Grande Cache Coal's Annual Information Form for the fiscal year ended March 31, 2009, as filed with Canadian securities regulatory authorities.

There is no representation by Grande Cache Coal that actual results achieved during the forecast period will be the same in whole or in part as those forecast and Grande Cache Coal does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

*The Toronto Stock Exchange has neither approved nor disapproved
the information contained herein.*