



GRANDE CACHE COAL CORPORATION

NEWS RELEASE

GRANDE CACHE COAL CORPORATION REPORTS NET INCOME OF \$20.1 MILLION DURING FISCAL 2010

Calgary, Alberta, June 9, 2010 – Grande Cache Coal Corporation (GCE-TSX) ("Grande Cache Coal" or the "Corporation") today announced its financial and operating results for the three and twelve months ended March 31, 2010. The Corporation's audited consolidated financial statements and related management's discussion and analysis for its fiscal year ended March 31, 2010 will be available at www.sedar.com and the Corporation's website at www.gccoal.com.

- Grande Cache Coal sold a record 1.77 million tonnes of coal in the fiscal year ended March 31, 2010, representing a 67% increase over sales of 1.06 million tonnes in the previous fiscal year. Sales during the fourth quarter were 0.43 million tonnes versus 0.11 million tonnes in the comparable period of last year.
- Net income during fiscal 2010 was \$20.1 million, or \$0.21 per basic share (\$0.20 per diluted share), down from \$106.2 million, or \$1.18 per basic share (\$1.15 per diluted share) in fiscal 2009. Fourth quarter net income was \$1.4 million (\$0.01 per basic and diluted share) versus \$18.9 million (\$0.20 per basic and diluted share) in the same period last year.
- The average sales price achieved during the year was \$132 per tonne compared to \$234 per tonne in fiscal 2009. The reduction in the average sales price was primarily due to lower metallurgical coal price contracts in the fiscal 2010 coal year, as record high coal prices were achieved in fiscal 2009 due to supply constraints and a strong global economy. Fiscal 2010 coal year prices were settled during the economic slowdown when demand for metallurgical coal was much lower. The average sales price during the fourth quarter of fiscal 2010 was \$118 per tonne in comparison to \$364 per tonne in the same period last fiscal year.
- Fiscal 2010 revenue decreased by 6% from last year to \$232.5 million mainly because of lower coal prices, offset to a large extent by higher sales volumes. Fourth quarter revenue increased by 31% to \$50.8 million compared to \$38.7 million in the same period last fiscal year due to a significant increase in sales volumes but limited by a considerable reduction in selling price.
- The average cost of sales during fiscal 2010 was \$100 per tonne, a 16% reduction from \$119 per tonne in fiscal 2009. The decrease in cost of sales was partially related to higher sales volumes and improved productivities as well as a reduction of costs incurred on external services, equipment maintenance and diesel fuel. Fourth quarter cost of sales were \$94 per tonne, down from \$96 per tonne in the same period last year.
- At March 31, 2010, the Corporation held cash and cash equivalents of \$87.4 million.
- In May 2010, a new five-year collective agreement was ratified by employees at the mine site represented by the United Mine Workers of America ("UMWA"). This is the first collective agreement between the Corporation and the UMWA.

- The Corporation anticipates sales volumes of 2.0 to 2.2 million tonnes in fiscal 2011. Negotiations are currently ongoing with customers for second quarter 2011 pricing. Benchmark pricing has been settled at US\$225 per tonne and the Corporation expects to achieve prices in line with the benchmark settlement.
- Please refer to the Outlook section below for additional guidance information for fiscal 2011.
- An updated version of the Grande Cache Coal corporate presentation dated June 2010 will be available on the Corporation's website at www.gccoal.com.

"Despite a challenging economic environment, we accomplished some significant milestones in fiscal 2010. We achieved record sales and production volumes and secured approval to mine at the No. 8 pit, ensuring an additional ten plus years of surface mining resources" said Robert Stan, President and Chief Executive Officer. "The current outlook in the demand for metallurgical coal over the next three years continues to be robust. This is expected to result in higher prices in the current coal year and more price stability than we experienced over the last three years." Mr. Stan also reiterated "We continue to maintain a strong balance sheet and have the coal resources, a modern fleet of equipment and the operational expertise necessary to successfully execute our growth plans for the benefit of all stakeholders."

Financial Overview

<i>(\$ millions)</i>	As at March 31 2010	As at March 31 2009	As at March 31 2008
Balance Sheet			
Cash and cash equivalents	87.4	68.0	4.2
Total assets	337.7	259.2	123.5
Long-term liabilities	54.4	16.7	21.5
Shareholders' equity	250.8	228.4	83.6
<i>(\$ millions, except per share, for the years ended March 31)</i>	2010	2009	2008
Statement of Net Income (Loss) and Comprehensive Income (Loss)			
Revenue	232.5	248.6	146.6
Cost of sales	176.9	126.0	141.3
Income (loss) from operations	26.7	106.3	(12.0)
Net income (loss) and comprehensive income (loss)	20.1	106.2	(15.5)
Basic net income (loss) per share	0.21	1.18	(0.24)
Diluted net income (loss) per share	0.20	1.15	(0.24)

<i>(millions of tonnes, except per tonne amounts)</i>	2010	2009	2008
Statistics			
Clean coal production	1.74	1.31	1.42
Coal sales	1.77	1.06	1.65
Average sales price (US\$/tonne)	125	210	86
Average sales price (\$/tonne)	132	234	89
Average cost product sold (\$/tonne)	72	85	59
Average distribution costs (\$/tonne)	28	34	27
Average cost of sales (\$/tonne)	100	119	86

Fiscal 2010

Net income was \$20.1 million, or \$0.21 per basic share (\$0.20 per diluted share), during fiscal 2010 compared to net income of \$106.2 million, or \$1.18 per basic share (\$1.15 per diluted share) in fiscal 2009. The current year's net income was significantly reduced due to lower metallurgical coal prices for the coal year commencing April 1, 2009. However, the impact of lower pricing was mitigated somewhat by a significant increase in sales volumes and a considerable reduction in operating costs. Income from operations was \$26.7 million in the current year versus \$106.3 million in fiscal 2009.

Revenue

The Corporation's fiscal 2010 revenue was \$232.5 million compared to \$248.6 million in the prior year. The 6% decrease is primarily a result of lower sales prices, offset to a large extent by significantly higher sales volumes.

Fiscal 2010 sales volumes were 1.77 million tonnes, a 67% increase from 1.06 million tonnes sold in the prior fiscal year. The increase in sales was driven by a recovery in the global economy which led to an increase in steel production, and consequently an increase in the demand for metallurgical coal. Sales to new customers in China accounted for virtually all of the increase in sales volume during the year. Overall, there was also a moderate increase in demand from traditional Asian customers following a slow start to the year. Due to the large volume of sales into China the Corporation's sales by geographic region shifted to a much higher proportion in Asia.

Sales Volumes	2010	2009	2008
Coal sales (millions of tonnes)	1.77	1.06	1.65
Sales by Geographic Region (%)			
Asia	81	42	53
Europe	5	32	38
North America	14	26	9

The average sales price for metallurgical coal was US\$125 per tonne during fiscal 2010, down 40% from US\$210 per tonne last fiscal year. The decrease was primarily related to lower contract price settlements in the current coal year which, commenced on April 1, 2009. In the prior coal year prices were settled at record high levels due to supply constraints and a robust economy, however the economy slowed dramatically mid way through the year reducing the demand for metallurgical coal. This slowdown resulted in significantly reduced pricing for fiscal 2010 sales as contract negotiations took place during the period when demand for metallurgical coal was lower. The average realized price in both the current and previous fiscal years contained a portion of carryover tonnage from the preceding years.

The average Canadian dollar sales price for metallurgical coal was \$137 per tonne compared to \$234 per tonne in fiscal 2009. The average exchange rate for converting US dollars (USD) into Canadian dollars was slightly lower in the current year, having a marginally negative impact on the Corporation's revenue. Thermal coal sales, which accounted for 6% of fiscal 2010 sales volumes, realized an average price of \$51 per tonne bringing the Corporation's average total sales price to \$132 per tonne.

Sales Prices	2010	2009	2008
Average metallurgical coal sales price (US\$/tonne)	125	210	86
Average exchange rate (1 USD = Canadian)	1.09	1.11	1.03
Average metallurgical coal sales price (\$/tonne)	137	234	89
Average thermal coal sales price (\$/tonne)	51	-	-
Average total sales price (\$/tonne)	132	234	89

Cost of Sales

The cost of sales was \$176.9 million (\$100 per tonne), versus \$126.0 million (\$119 per tonne) in the prior year. The cost of sales consisted of cost of product sold of \$127.2 million (\$72 per tonne) and distribution costs of \$49.7 million (\$28 per tonne). In the prior period, cost of product sold was \$90.4 million (\$85 per tonne) and the distribution costs were \$35.6 million (\$34 per tonne).

The Corporation's fiscal 2010 unit cost of product sold decreased 16% from fiscal 2009. The improvement was partially related to higher sales volumes due to the fixed cost component included in operating costs. There was also a reduction of costs incurred on external contractor services, equipment maintenance and diesel fuel. Improved productivities throughout various areas of the operations further contributed to a lower unit cost of product sold.

The unit cost of distribution in fiscal 2010 was 18% lower than the comparable year. The main reasons for the decrease in unit cost were attributed to a lower proportion of shipments to eastern Canada, which carry higher rail rates than shipments to the west coast, and a reduction of fuel surcharges included in the rail rates.

Other Operating Expenses

General and administrative expenses during fiscal 2010 were \$10.0 million, up from \$7.1 million in the prior fiscal year. Included in these expenses were head office administrative and marketing charges of \$7.7 million (fiscal 2009 - \$6.1 million), non-cash charges for stock-based compensation of \$1.3 million (fiscal 2009 - \$1.0 million) and a \$1.0 million donation to the town of Grande Cache to redevelop the local recreation centre.

Depreciation, depletion and accretion expenses in the current year were \$19.0 million, compared to \$9.3 million in fiscal 2009. The increase was largely caused by the addition of capital assets, particularly in the surface mine. Also contributing to the increase in fiscal 2010 was higher coal production and a reduction of depreciation and depletion costs included in coal inventory.

Other Income (Expenses)

The Corporation had a foreign exchange loss of \$0.5 million during the current fiscal year compared to a gain of \$12.5 million in fiscal 2009. Last year's foreign exchange gain was the result of a significant weakening of the Canadian dollar against the US dollar.

The Corporation recorded an unrealized foreign exchange gain of \$3.0 million (fiscal 2009 - \$nil) in the current fiscal

year relating to foreign exchange forward contracts.

Interest and other income was \$0.5 million in fiscal 2010, down from \$1.3 million in the prior year. 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 \$1.0 million in the current fiscal year (fiscal 2009 - \$0.6 million) and mainly related to interest charges on capital leases.

Taxes

Fiscal 2010 tax expenses were \$8.5 million compared to \$13.3 million in fiscal 2009. Taxes were comprised of a current tax expense of \$1.8 million for provincial Crown royalties as well as a future income tax expense of \$6.7 million. In the prior fiscal year, taxes were comprised of a current tax expense of \$2.1 million for provincial Crown royalties as well as a future income tax expense of \$11.2 million.

Liquidity and Capital Resources

The Corporation had cash and cash equivalents of \$87.4 million at March 31, 2010, an increase of \$19.4 million from March 31, 2009. In fiscal 2009 the Corporation's cash position increased \$63.8 million.

Operating activities during fiscal 2010 generated cash of \$73.7 million, compared to \$86.0 million in fiscal 2009. The decrease in cash generation in the current year was mainly due to a decrease in net income resulting from a decrease in the price of coal, offset by an increase in depreciation and depletion expense and non-cash working capital.

Financing activities resulted in a cash increase of \$3.3 million during fiscal 2010. In the third 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 \$8.4 million during the fiscal year and cash proceeds of \$1.0 million were received from the exercise of stock options. In fiscal 2009, warrants were exercised for cash proceeds of \$17.4 million and common share options were exercised for cash proceeds of \$3.0 million. The Corporation also made net repayments of \$5.0 million towards a revolving debt facility, which expired on April 1, 2009, bringing the balance to nil.

In March 2010, the Corporation amended its agreement with HSBC Bank Canada to provide the Corporation with an operating credit facility up to \$28 million and the ability to enter into foreign exchange forward contracts. At March 31, 2010, the balance on the operating credit facility was nil and US\$53 million of foreign exchange forward contracts were outstanding. (See also Note 20 - Subsequent Events)

Investing activities led to a cash decrease of \$53.2 million in fiscal 2010, compared to \$45.1 million in the prior fiscal year. Capital additions totaled \$47.3 million compared to \$45.2 million in fiscal 2009. Buildings and equipment additions accounted for \$35.3 million (fiscal 2009 - \$36.9 million) and included a new Hitachi EX5500 hydraulic excavator at a cost of \$11.0 million. Mineral properties development during the year totaled \$12.0 million (fiscal 2009 - \$8.3 million) and was primarily for the development of the No. 8 pit (\$8.9 million). The Corporation also had an increase in restricted cash of \$5.1 million (fiscal 2009 - \$1.9 million) in the form of letters of credit as it provided an additional \$3.6 million to the Alberta Government for security to cover anticipated costs of reclamation and \$1.5 million to a service provider.

During the current year, the Corporation acquired mining equipment at a cost of \$47.2 million through capital lease arrangements, which included a fleet of eight Komatsu AC 830E haul trucks.

The Corporation believes that its existing cash, cash flow from operations and the operating credit facility will be sufficient to fund ongoing working capital requirements. The Corporation expects that capital expenditures will be funded by existing cash, cash flow from operations and equipment leases.

Grande Cache Coal expects that coal inventory and coal production will be sufficient to meet customer requirements during fiscal 2010. At March 31, 2010, the Corporation had \$28.0 million in coal inventory, compared to \$44.3 million at the end of the previous fiscal year.

The Corporation did not have any off-balance sheet financing structures in place at March 31, 2010. Long term liabilities of the Corporation include asset retirement obligations with a present value of \$8.8 million, capital lease obligation of \$27.5 million and future income tax liabilities of \$18.1 million. Grande Cache Coal's asset retirement obligations are covered by letters of credit totaling \$11.8 million provided to the Alberta Government, which are presently secured by restricted cash.

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.

The Corporation entered into various purchase commitments for mining equipment. At March 31, 2010, remaining payments owing on the mining equipment totalled \$36.4 million, which included USD commitments of US\$28.3 million.

Under contracts existing at March 31, 2010, future minimum undiscounted amounts payable under these agreements were:

<i>(\$ millions)</i>	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Contractual Obligations					
Operating Leases	3.9	0.8	1.4	1.2	0.5
Capital Leases	39.5	8.7	17.4	13.4	-
Purchase Obligations	36.4	36.4	-	-	-
Total Contractual Obligations	79.8	45.9	18.8	14.6	0.5

Fiscal 2010 Fourth Quarter

<i>(\$ millions, except per share amounts)</i>	Three months ended March 31	
	2010	2009
Statement of Net Income and Comprehensive Income		
Revenue	50.7	38.7
Cost of sales	40.7	10.2
Income from operations	1.0	24.5
Net income and comprehensive income	1.4	18.9
Basic and diluted net income per share	0.01	0.20

<i>(millions of tonnes, except per tonne amounts)</i>	Three months ended March 31	
	2010	2009
Statistics		
Clean coal production (tonnes)	0.54	0.26
Coal sales (tonnes)	0.43	0.11
Average sales price (US\$/tonne)	120	292
Average sales price (\$/tonne)	118	364
Average cost of product sold (\$/tonne)	66	72
Average distribution cost (\$/tonne)	28	24
Average cost of sales (\$/tonne)	94	96

Grande Cache Coal earned net income of \$1.4 million during the fourth quarter compared to net income of \$18.9 million in the same period last fiscal year. Income from operations was \$1.0 million during the quarter, down from \$24.5 million in the fourth quarter last fiscal year.

Coal sold during the three months ended March 31, 2010 was 0.43 million tonnes at an average price of \$118 per tonne, generating revenue of \$50.8 million. In the fourth quarter of fiscal 2009 the Corporation sold 0.11 million tonnes of coal at an average price of \$364 per tonne generating revenue of \$38.7 million. Despite the significant reduction in the price of coal, fourth quarter revenue was 31% higher than last fiscal year because of the 0.32 million tonne increase in sales volume. Sales volumes in the fourth quarter of fiscal 2009 were low due to the downturn in the global markets which led to a decrease in the demand for steel and a resulting decrease in the demand for metallurgical coal.

Fourth quarter cost of sales were \$94 per tonne, down from \$96 per tonne in the same period of fiscal 2009. Included in the cost of sales was cost of product sold of \$66 per tonne (fiscal 2009 - \$72 per tonne) and distribution costs of \$28 per tonne (fiscal 2009 - \$24 per tonne). The cost of product sold decreased largely due to an increase in sales volumes, higher productivity and an increase in the plant yield. Distribution costs were lower in the fourth quarter of 2009 primarily because previously accrued demurrage charges were settled at lesser amounts.

Depreciation, depletion and accretion expenses were \$6.5 million in the fourth quarter, compared to \$2.0 million in the same period last year. The increase was primarily caused by higher coal production in the current quarter. There were also additional capital assets, primarily in the surface mine, and a revision to the remaining useful a certain fixed assets, which accelerated the depreciation expenses.

Summary of Quarterly Results

<i>(millions, except per unit amounts)</i>	2010	Q4	Q3	Q2	Q1
Clean coal production (tonnes)	1.74	0.54	0.42	0.43	0.34
Coal sales (tonnes)	1.77	0.43	0.47	0.36	0.51
Average sales price (US\$/tonne)	125	120	131	120	129
Average sales price (\$/tonne)	132	118	134	124	147
Average cost of sales (\$/tonne)	100	94	106	84	111
Revenue (\$)	232.5	50.7	62.4	44.8	74.6
Income from operations (\$)	26.7	1.0	5.5	9.5	10.7
Net income (\$)	20.1	1.4	4.3	9.3	5.1
Basic net income per share (\$)	0.21	0.01	0.04	0.10	0.05
Diluted net income per share (\$)	0.20	0.01	0.04	0.09	0.05

<i>(millions, except per unit amounts)</i>	2009	Q4	Q3	Q2	Q1
Clean coal production (tonnes)	1.31	0.26	0.35	0.43	0.27
Coal sales (tonnes)	1.06	0.11	0.36	0.34	0.25
Average sales price (US\$/tonne)	210	292	213	214	165
Average sales price (\$/tonne)	234	364	254	223	166
Average cost of sales (\$/tonne)	119	96	128	104	135
Revenue (\$)	248.6	38.7	91.9	76.6	41.4
Income from operations (\$)	106.3	24.5	41.3	36.4	4.1
Net income (\$)	106.2	18.9	36.8	47.1	3.4
Basic net income per share (\$)	1.18	0.20	0.38	0.52	0.04
Diluted net income per share (\$)	1.15	0.20	0.38	0.51	0.04

Net income in fiscal 2009 was significantly higher than the current fiscal year as coal prices for the coal year commencing April 1, 2008 were settled at record high levels due to supply constraints and a robust economy. Due to production issues during the first part of fiscal 2009, the Corporation had lower than expected clean coal production which led to lower than planned sales volumes and consequently a higher cost of sales. Production improved as fiscal 2009 progressed however the economy slowed dramatically during the third quarter and lower sales volumes forced the Corporation to reduce production. Because of the economic downturn, prices for the coal year commencing April 1, 2009 were settled at much lower levels than the preceding coal year. Demand for metallurgical coal recovered dramatically during the first quarter of fiscal 2010 allowing the Corporation to record its highest quarterly sales volumes to date during that period. Metallurgical coal sales remained strong throughout fiscal 2010 due to a significant increase in demand from China, as well as a recovery from traditional customers. Despite the increase in demand, prices remained lower than the fiscal 2009 because of the annual contract settlements that were in place. The average cost of sales was lower than fiscal 2009 due in part to higher sales volumes as well as a reduction in contractor usage and lower mining input costs.

Outlook

Metallurgical Coal Markets

The Corporation anticipates sales volumes of 2.0 to 2.2 million tonnes in fiscal 2011, the majority of which has already been contracted. For fiscal 2011, a significant portion of the annual sales volumes will be contracted for sale under quarterly pricing arrangements as opposed to the traditional coal year pricing. This change to shorter term pricing is consistent with other metallurgical coal suppliers and will create quarterly negotiations to establish contract sales prices. Contract price settlements for the first quarter of fiscal 2011 are approximately US\$195 per tonne, however, the average selling price of metallurgical coal for the first quarter of fiscal 2011 is expected to be US\$150 to US\$160 per tonne due to the shipment of lower priced carryover tonnage during April.

Negotiations are currently ongoing with customers for second quarter 2011 pricing. Benchmark pricing has been settled at US\$225 per tonne and the Corporation expects to achieve prices in line with the benchmark settlement.

Operations

Grande Cache Coal has announced plans to further increase annual production to 3.5 million tonnes by the end of fiscal 2013. The Corporation is currently developing the No. 8 pit surface operations and is progressing the licensing and permitting process for two additional mining areas.

While it is expected that the average cost of sales will vary from quarter to quarter, the average cost of sales for fiscal 2011 is anticipated to be approximately \$100 per tonne. The Corporation continues to focus on productivity improvements and cost control measures throughout the operations while expanding production. An escalation of mining input costs or lower than expected production levels would have a negative impact on the anticipated cost of sales.

Capital Expenditures

The Corporation anticipates capital expenditures of approximately \$225 million over the three year period ending in fiscal 2013, with an estimated \$165 million of this capital being spent in fiscal 2011. The capital spending will include:

- New surface mine equipment for the No. 8 pit at a cost of approximately \$46 million, including a P&H 2800 electric shovel, a P&H 320 electric drill, a P&H 250 XP diesel hydraulic drill and a fleet of six Komatsu 830E haul trucks.
- Development and infrastructure costs of approximately \$63 million. This includes approximately \$27 million for road construction, pre-stripping and development of the No. 8 pit, as well as approximately \$36 million for the initial cost of a new maintenance facility and a coal conveyor system.

Capital expenditures are expected to be funded by existing cash balances, cash flow from operations and equipment leases. Grande Cache Coal has received commitments to finance US\$45 million of new equipment through US dollar denominated capital leases and is currently in the process of finalizing these agreements.

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

	As at March 31 2010	As at March 31 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 87,436	\$ 68,035
Restricted cash	13,499	8,440
Accounts receivable	12,483	15,153
Inventory	33,999	49,800
Prepaid expenses	9,114	965
Future income taxes	232	-
	<u>156,763</u>	<u>142,393</u>
Deposit for future reclamation expenditures	-	82
Capital assets	<u>180,935</u>	<u>116,707</u>
	<u>\$ 337,698</u>	<u>\$ 259,182</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,716	\$ 13,078
Future income taxes	-	886
Current portion of capital lease obligations	6,744	52
	<u>32,460</u>	<u>14,016</u>
Asset retirement obligations	8,801	6,429
Capital lease obligations	27,515	-
Future income taxes	18,102	10,298
	<u>86,878</u>	<u>30,743</u>
Shareholders' equity		
Share capital	196,232	194,541
Contributed surplus	3,945	3,362
Retained earnings	50,643	30,536
	<u>250,820</u>	<u>228,439</u>
	<u>\$ 337,698</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)

	Three months ended		Twelve months ended	
	March 31		March 31	
	2010	2009	2010	2009
Revenue	\$ 50,764	\$ 38,704	\$ 232,530	\$ 248,628
Expenses				
Cost of product sold	28,787	7,675	127,198	90,428
Distribution	11,889	2,514	49,736	35,548
General and administrative	2,616	2,010	9,960	7,086
Depreciation, depletion and accretion	6,496	2,012	18,980	9,281
	<u>49,788</u>	<u>14,211</u>	<u>205,874</u>	<u>142,343</u>
Income from operations	976	24,493	26,656	106,285
Other income (expenses)				
Foreign exchange gains (losses)	2,420	1,249	(514)	12,535
Unrealized gains on foreign exchange forward contracts	285	-	3,024	-
Interest and other income	172	678	491	1,290
Interest and other expenses	(586)	(45)	(1,017)	(574)
Income before taxes	3,267	26,376	28,640	119,536
Taxes				
Current tax expense	(396)	8,469	(1,847)	(2,133)
Future income taxes expense	(1,452)	(15,850)	(6,686)	(11,184)
Net income and comprehensive income	1,419	18,994	20,107	106,219
Retained earnings (deficit), beginning of period	49,224	11,542	30,536	(75,683)
Retained earnings, end of period	<u>\$ 50,643</u>	<u>\$ 30,536</u>	<u>\$ 50,643</u>	<u>\$ 30,536</u>
Net income per share				
Basic	\$ 0.01	\$ 0.20	\$ 0.21	\$ 1.18
Diluted	\$ 0.01	\$ 0.20	\$ 0.20	\$ 1.15

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

	Three months ended March 31		Twelve months ended March 31	
	2010	2009	2010	2009
Cash provided by (used for)				
Operating activities				
Net Income and comprehensive income	\$ 1,419	\$ 18,994	\$ 20,107	\$ 106,219
Items not affecting cash:				
Stock-based compensation	355	293	1,312	952
Unrealized foreign exchange (gain) loss	(861)	(937)	2,517	(7,646)
Unrealized gains on foreign exchange forward contracts	(285)	-	(3,024)	-
Future income taxes	1,452	15,850	6,686	11,184
Depreciation, depletion and accretion	6,496	2,012	18,980	9,281
Settlement of asset retirement obligations	-	(1)	-	(147)
	8,576	36,211	46,578	119,843
Net change in non-cash working capital relating to operating activities	(5,088)	(47,187)	27,087	(33,834)
	3,488	(10,976)	73,665	86,009
Financing activities				
Net proceeds from capital lease financings	-	-	10,729	-
Payment on capital lease obligations	(1,665)	(24)	(8,361)	(71)
Proceeds on exercise of warrants	-	-	-	17,354
Proceeds on exercise of options	445	7	962	2,955
Share issuance costs	-	-	-	(2)
Repayment on revolving debt	-	-	-	(5,000)
	(1,220)	(17)	3,330	15,236
Investing activities				
Additions to mineral properties and development	(9,140)	(4,127)	(11,961)	(8,319)
Additions to buildings and equipment	(4,939)	(7,171)	(35,279)	(36,894)
Restricted cash	(1,489)	-	(5,059)	(1,912)
Net change in non-cash working capital relating to investing activities	667	1,718	(885)	2,031
	(14,901)	(9,580)	(53,184)	(45,094)
Effect of foreign exchange on cash and cash equivalents	(402)	937	(4,410)	7,646
(Decrease) increase in cash and cash equivalents	(13,035)	(19,636)	19,401	63,797
Cash and cash equivalents, beginning of period	100,471	87,671	68,035	4,238
Cash and cash equivalents, end of period	\$ 87,436	\$ 68,035	\$ 87,436	\$ 68,035

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".

All references are to Canadian dollars unless otherwise indicated.

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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 and prices of metallurgical coal in fiscal 2011; management of coal production in fiscal 2011; future development activities and related capital expenditures; capital expenditure program for fiscal 2011; and funding sources for the capital program.

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. Many of these risk factors and uncertainties are discussed in Grande Cache Coal's Annual Information Form, Grande Cache Coal's Management's Discussion and Analysis and other documents Grande Cache Coal files with the 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.*