Colonial Coal closes initial tranche of CAD $7.7 million financing

Colonial Coal International Corp. {TSX.V: CAD} announced the initial closing of its previously announced (January 17, 2017) non-brokered private placement pursuant to which the Corporation has now issued an aggregate of 48,335,998 units of the Corporation (each, a "**Unit**"), at a subscription price of $0.15 per Unit.

The balance of the Private Placement is expected to complete today for an additional 3,616,663 Units, resulting in aggregate gross proceeds to the Corporation of $7,792,900 in the Private Placement.

Colonial Coal International Corp. Announces Closing of Non-Brokered Private

Placement

VANCOUVER, B.C. – Feb. 6, 2017) –

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

Colonial Coal International Corp. {TSX.V: CAD} is pleased to announce the initial closing of its previously announced (January 17, 2017) non-brokered private placement (the "**Private Placement**") pursuant to which the Corporation has now issued an aggregate of 48,335,998 units of the Corporation (each, a "**Unit**"), at a subscription price of $0.15 per Unit.

The balance of the Private Placement is expected to complete today for an additional 3,616,663 Units, resulting in aggregate gross proceeds to the Corporation of $7,792,900 in the Private Placement.

Each Unit is comprised of one common share in the capital of the Corporation and one-half of a transferable common share purchase warrant (each whole warrant, a "**Warrant**"). Each

Warrant now entitles the holder thereof to purchase one additional common share of the Corporation at an exercise price of $0.30 per common share for a period of three years from the date of issue.

In connection with the completion of the Private Placement, the Corporation will pay advisory and finder's fees of an aggregate of $543,770, equal to approximately 7% of the gross proceeds of the Private Placement, and an aggregate of 3,625,136 Unit purchase warrants (each, a "**Finder's Warrant**"), equal to approximately 7% of the Units issued in the Private Placement. Each Finder's Warrant entitles the holder thereof to purchase one Unit at an exercise price of $0.15 per Unit for a period of three years from the date of issue.

The Corporation intends to use the net proceeds of the Private Placement to fund its 2017 exploration programs on each of its Flatbed and Huguenot coal projects and for general corporate and working capital purposes.

The securities issued in connection with the Private Placement are subject to a statutory hold period of four months plus one day from the date of issuance in accordance with the policies of the TSX Venture Exchange and applicable Canadian securities legislation. In addition, the securities referred to in this news release have not been registered under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"**), and may not be offered or sold in the United States

absent registration or an applicable exemption from registration requirements. The common shares and Warrants to be issued by the Corporation will be “restricted securities” as defined under Rule 144(a)(3) of the U.S. Securities Act.

This news release shall not constitute an offer to sell or the solicitation or an offer to buy nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

About Colonial Coal International Corp.

Colonial Coal is a publicly traded coal corporation in British Columbia that focuses primarily on coking coal projects. The northeast Coal Block of British Columbia, within which our Corporation’s projects are located, hosts a number of proven deposits and has been the subject of M&A activities by Xstrata, Walter Energy, Anglo-American and others.

Additional information can be found on the Corporation’s website www.ccoal.ca or by viewing the Corporation’s filings at www.sedar.com.

Forward-Looking Information

Information set forth in this news release involves forward-looking statements, including statements relating to the

closing of the Private Placement and use of proceeds. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a Corporation's expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with marketing and sale of securities; the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers or directors with certain other projects; and the volatility of common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and except as required by law, the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE CORPORATION AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE CORPORATION MAY

ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE SECURITIES LEGISLATION.

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 news release.

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