



# **BMO 23<sup>rd</sup> Global Metals and Mining Conference**

*24-26 February 2014*

Gill Winckler - President and CEO

Rob Gough - CFO

# Forward looking statements

This presentation contains forward-looking statements concerning Coalspur, including statements regarding Coalspur's plans for its mineral projects, development plans and timing, development and operating costs, production, regulatory approvals, exploration and development activities, and other matters. These statements relate to analyses and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in these forward-looking statements.

Statements concerning Mineral Resource Estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if a given property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including those referred to in the Company's Annual Information Form under the heading "Description of the Business - Risk Factors", and elsewhere. The Company has several material risk factors that could cause actual results to differ materially from the forward-looking information, including, but not limited to; risks associated with funding requirements for Vista development, uncertainties relating to fluctuations in coal price, uncertainties related to the availability of future financing, risks related to Coalspur's existing credit facility, risks associated with take or pay commitments with Ridley Terminals, risks associated with the need for governmental licenses, permits and approvals, uncertainties related to claims of aboriginal rights and overlapping mineral rights, and uncertainties related to global economic and financial conditions.

Coalspur's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date hereof and which Coalspur believes are reasonable in the circumstances, but no assurance can be given that these expectations will prove to be correct. The Company has applied several material factors or assumptions to develop the forward-looking statements, which may prove to be incorrect, including, but not limited to: (1) that all required third party approvals will be obtained for the development, construction and production of its properties; (2) that additional financing will be available on reasonable terms; (3) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (4) permitting, development and expansion proceeding on a basis consistent with the Company's current expectations; (5) currency exchange rates being approximately consistent with current levels; (6) certain price assumptions for coal; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource and reserve estimates; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; and (10) assumptions made and judgments used in engineering and geological interpretation.

# Contents

- Investment proposition
- Vista Phase 1: Robust and ready
- Vista Phase 2: Significant upside
- Thermal coal markets and Vista product
- In summary

# Investment Proposition

## World Class Opportunity

- Large, long life premium thermal coal reserve (565 Mt recoverable)
- Canada – stable mining jurisdiction, close to key Japanese and Korean markets
- Existing rail and port infrastructure, secured through long term agreements
- Profitable through the cycle
- Highly experienced management team

## Vista Phase 1: Robust and Ready

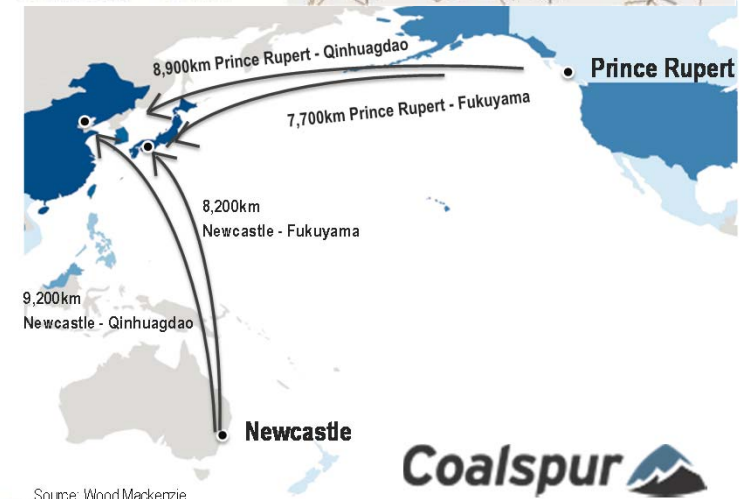
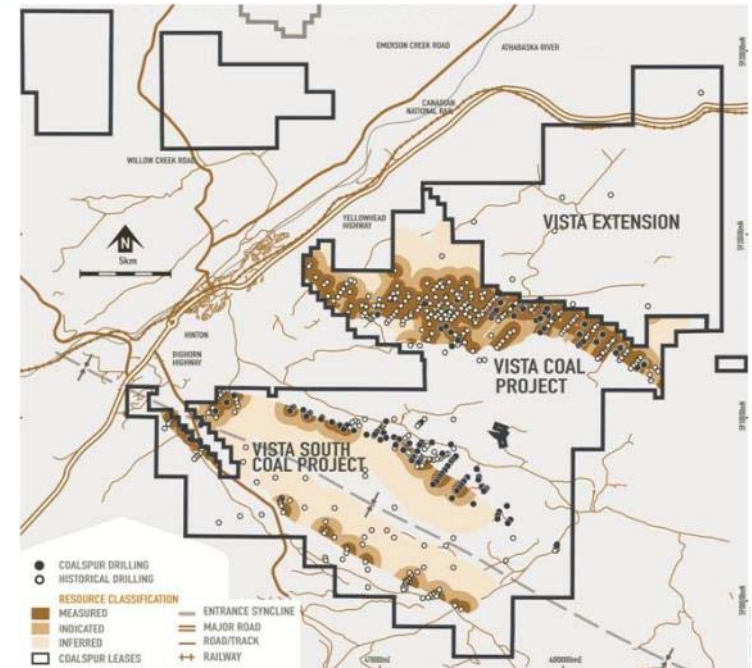
- Low capital intensity: 6 Mtpa for development capital of C\$478M
- Competitive FOB cash cost: US\$58/t (C\$64/t)
- Regulatory and environmental process concluding: AER decision April 2014
- US\$350M debt facility secured and finalising / optimising full funding package
- 21 month construction period with first coal in mid 2016

## Vista Phase 2: Significant Upside

- Simple brownfield expansion
- Capacity doubled (12 Mtpa) for ~C\$260M capital
- Increased tonnage expected to commence in 2019
- Plan to finance out of Phase 1 cash flow

# World class deposit, infrastructure and location

- ~2.0 billion tonnes of Measured, Indicated and Inferred coal resources
- High quality bituminous thermal coal
- 565 Mt recoverable reserve with attractive geology and low strip ratios
- Close proximity to road, rail, power, water and workforce
- Logistics capacity available and secured:
  - Ridley Terminals: Deepwater port
  - CN: Leading North American rail carrier
- Well positioned for key target markets



# Progress over last twelve months

- Management team strengthened with the addition of experienced operations and project personnel
- Project significantly de-risked and optimised:
  - ✓ Competitive Front End Engineering Design (FEED) process led to development plan delivering 6 Mtpa capacity at C\$80/t annual capacity
  - ✓ Selected EPC firm with extensive experience in constructing CHPPs
  - Ongoing tightening and optimisation of costs
- Permitting for Vista Phase 1 significantly advanced:
  - ✓ Environmental completeness in June 2013
  - ✓ Federal approval received for rail siding in August 2013
  - ✓ Settled with all parties granted full intervener status by Alberta Energy Regulator (AER)
  - With no remaining interveners, AER expected to issue its decision by 13 April 2014
- Advancement of finance package:
  - ✓ Secured senior debt facility with EIG Global Energy Partners for up to US\$350M
  - ✓ Significant support from major shareholder (Borrowdale Park) via C\$30M facility
  - ✓ A further C\$10M standby facility with Borrowdale Park in January 2014
  - Aim to finalise funding following regulatory approval and permits

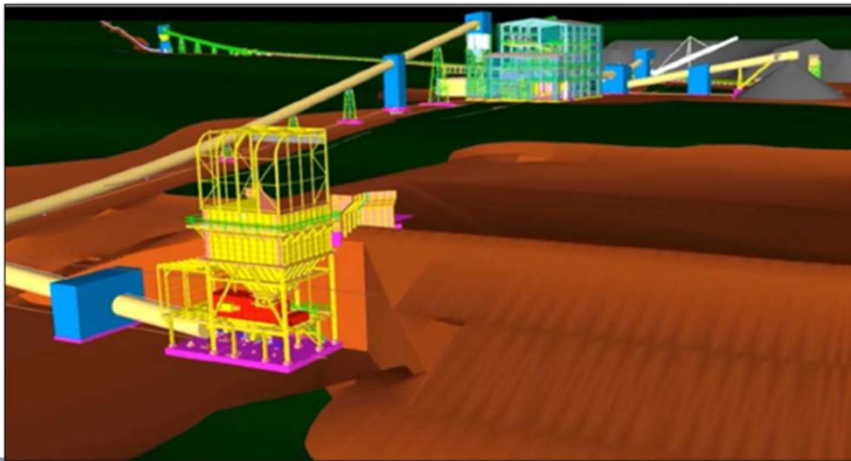
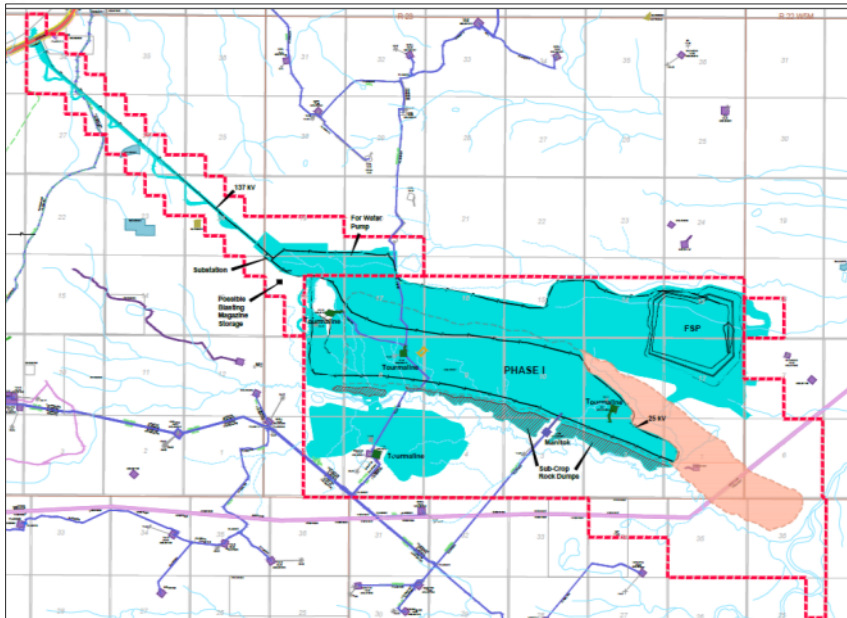
# Building a Canadian export business

- TSX listed since 2010
- Hired Canadian based CEO (2012)
- Established Vancouver office and built out Hinton (Alberta) project team in 2013

## Recent additions to management team with significant coal experience:

|                                      |   |
|--------------------------------------|---|
| Gill Winckler<br>President and CEO   | <ul style="list-style-type: none"> <li>• 15+ years in senior roles at BHP Billiton including Chief Development Officer of the Energy Coal division</li> </ul>   |
| Colin Gilligan<br>COO                | <ul style="list-style-type: none"> <li>• 24+ years of mining and project development experience at senior levels</li> <li>• Responsible for the development and commissioning of Vista</li> </ul>               |
| Rob Gough<br>CFO                     | <ul style="list-style-type: none"> <li>• 16+ years mining experience in executive finance and development roles</li> <li>• Former CFO of BHP Billiton's Energy Coal and Global Exploration divisions</li> </ul> |
| Richard Tremblay<br>Operations       | <ul style="list-style-type: none"> <li>• 22+ years in open pit coal mining, including 6 years as GM at Fording River</li> <li>• Responsible for Health and Safety and bringing Vista into operation</li> </ul>  |
| Jonathon McCarthy<br>Project Manager | <ul style="list-style-type: none"> <li>• 10+ years of open pit mining and project development experience</li> <li>• Responsible for the coordination of all site activities to construct Vista</li> </ul>       |
| Xenia Kritsos<br>VP General Counsel  | <ul style="list-style-type: none"> <li>• 15+ years international experience in both mining and private legal practice</li> <li>• Joint Company Secretary of Coalspur</li> </ul>                                 |

# Vista Phase 1: A simple project designed for brownfield expansion



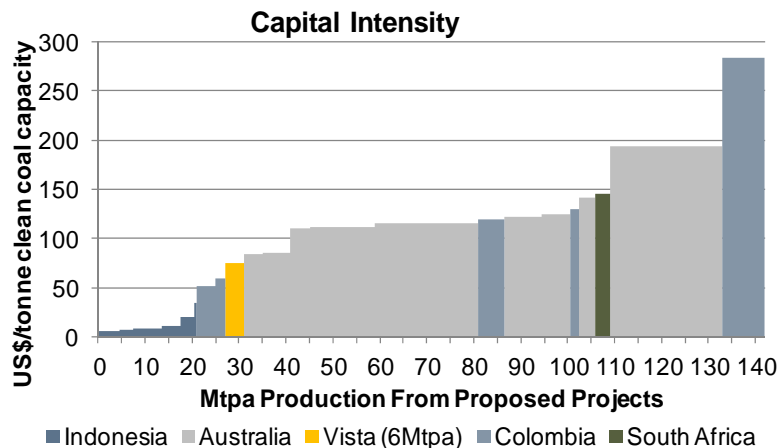
- Vista will be an open cast mine utilising traditional mining methods
- Standard processing technologies (three stage crushing, DMC and spirals)
- Project scope (6 Mtpa capacity):
  - Land clearing and civil works
  - Raw coal infrastructure
  - 1,500 tph modular CHPP
  - 7 km overland conveyor
  - 4,000 tph train load-out system
- Clean coal system and train load-out capacity sufficient for Phase 2
- Contract mining in first five years to facilitate start-up and guarantee performance



# Vista Phase 1: Deliverable, low-risk capital budget

| Capital Cost Summary <sup>1</sup> |            |
|-----------------------------------|------------|
| Item                              | (C\$M)     |
| EPC (US\$284M)                    | 311        |
| Site Preparation                  | 78         |
| Rail Siding                       | 29         |
| Infrastructure and Utilities      | 26         |
| Other                             | 14         |
| Contingency                       | 20         |
| <b>Total</b>                      | <b>478</b> |

<sup>(1)</sup> Mining equipment to be provided by mining contractor (~C\$300M)

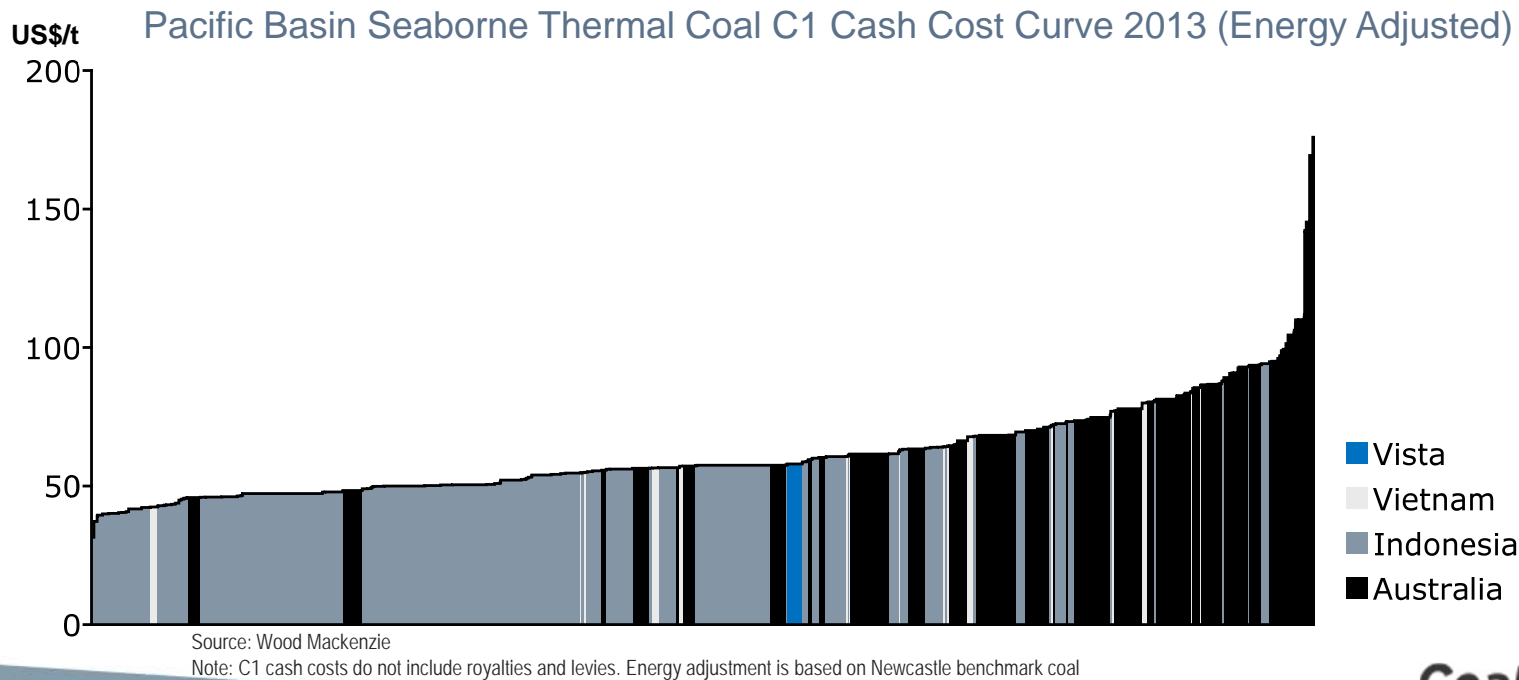


Source: WoodMackenzie

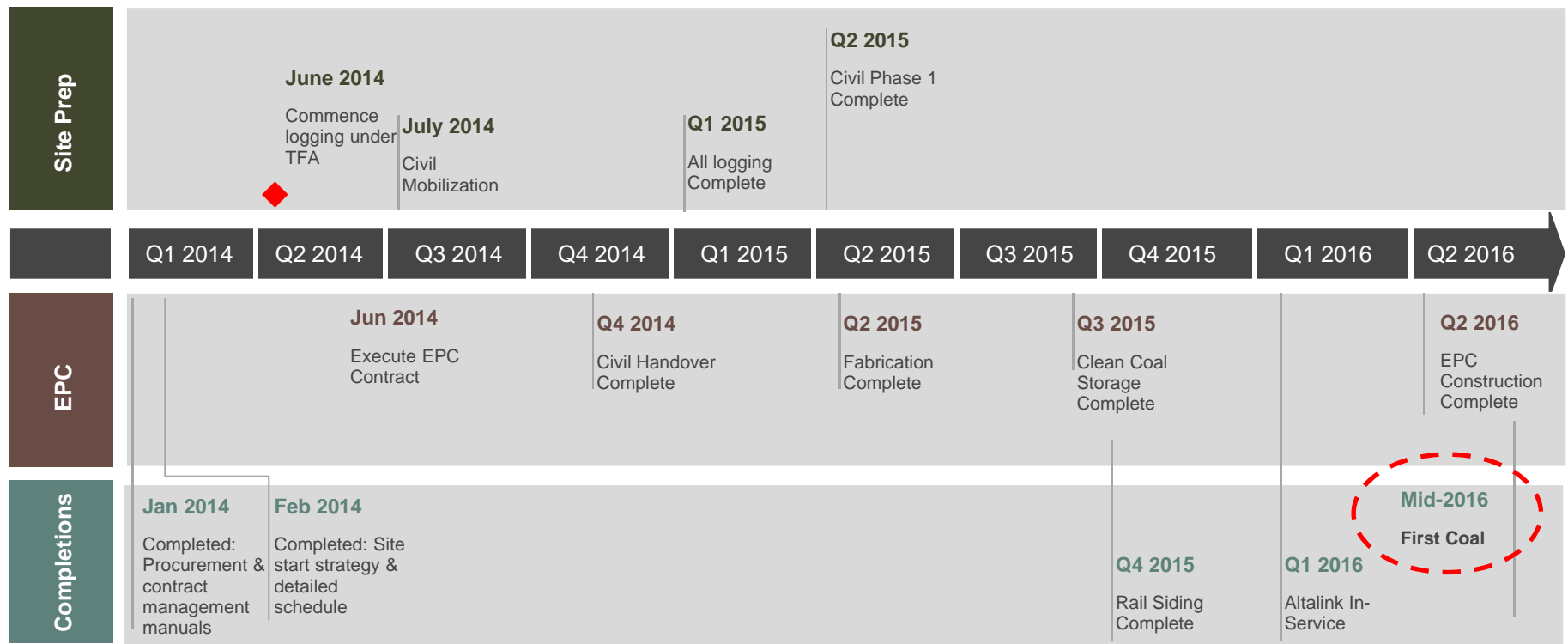
- Highly capital efficient (C\$80/annual tonne capacity)
- 65% of spend with a single EPC provider:
  - All facilities, concrete and mine infrastructure
  - Fixed-price USD contract, natural hedge with USD borrowings
  - Strict performance guarantees including throughput and quality
  - Chinese fabrication (with Forge North America QA/QC controls)
  - Selected EPC has delivered 110 capital projects, including 23 greenfield CHPPs, in North America since 2007
- ~90% of capital by value within nine contracts with agreed terms, including performance guarantees, and tendered pricing

# Vista Phase 1: Cost competitive into target markets

- Low FOB cost US\$58/t (C\$64/t) over first five years:
  - Large resource and low ROM strip ratio (4.0 in first five years)
  - Simple mining due to shallow dipping seams and benign geology
  - Competitive port and rail costs fixed with long term C\$ contracts (50% of total FOB)
- Canadian operation will benefit from any further CADUSD devaluation

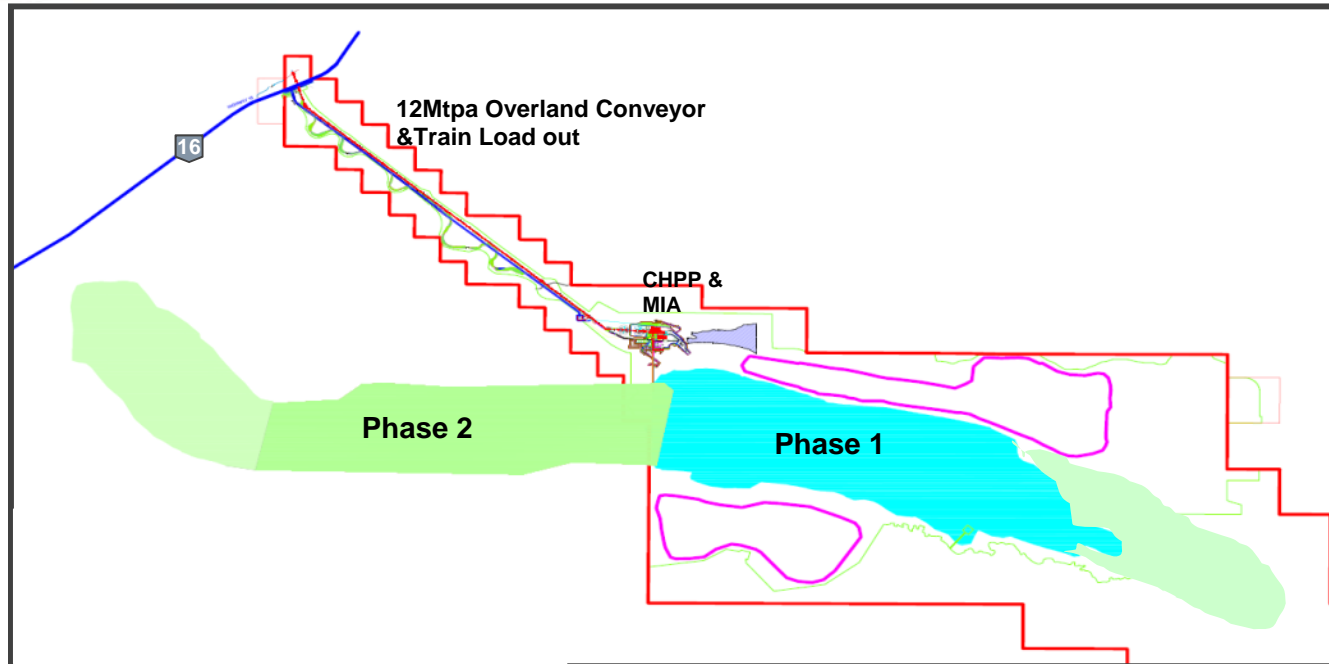


# Construction period of 21 months - first coal mid 2016



◆ Alberta Energy Regulator decision 13 April 2014

## Vista Phase 2: Doubling capacity for C\$43 per annual tonne

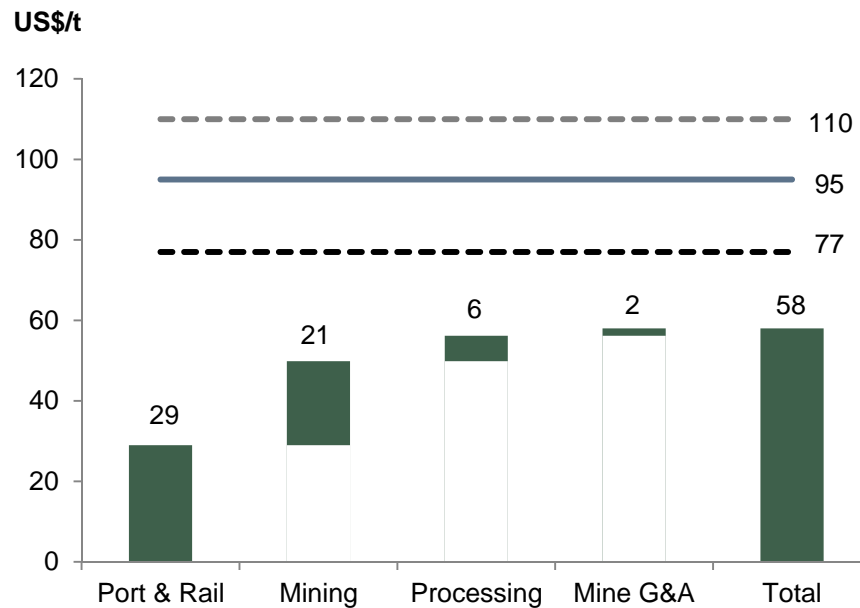


- Brownfield capacity expansion to 12 Mtpa by 2019 for capital cost of ~C\$260M
- Agreements on port and rail accommodate Phase 2 capacity for no additional capital
- Expect same or lower FOB cost due to economies of scale, improved yield, reduced strip ratio, and shorter waste and coal hauls
- Capital expected to be funded from cash flow from Phase 1
- Allowing for a 3½ year regulatory process followed by 16 month construction period

# Cash generative and attractive returns through the cycle

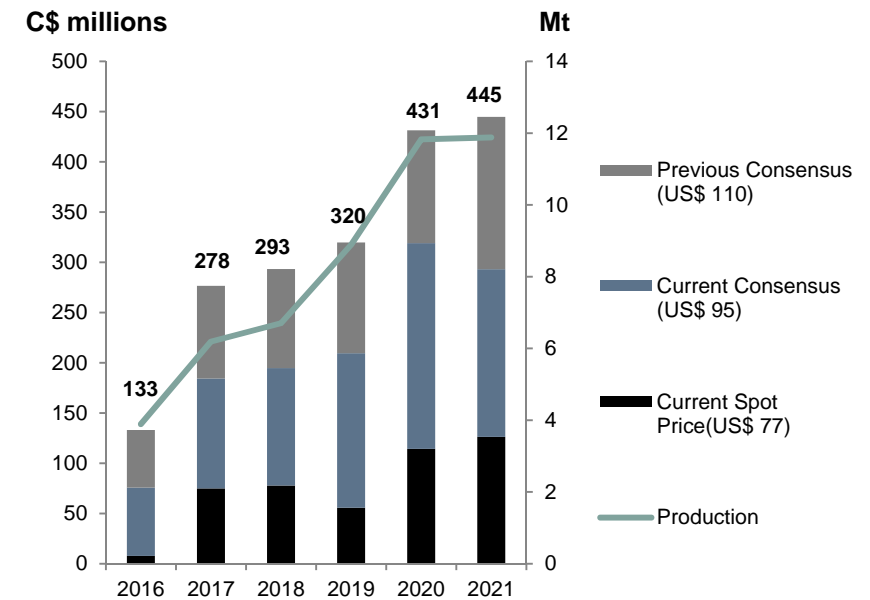
- Low cost operation provides headroom to current spot prices
- Leverage to volume and price
- C\$478M Phase 1 capital generates returns from 2016, augmented by Phase 2

FOB Cash Cost vs Price



Sources: Coalspur estimates, brokers consensus Newcastle benchmark price

12 Mtpa EBITDA at Various Prices



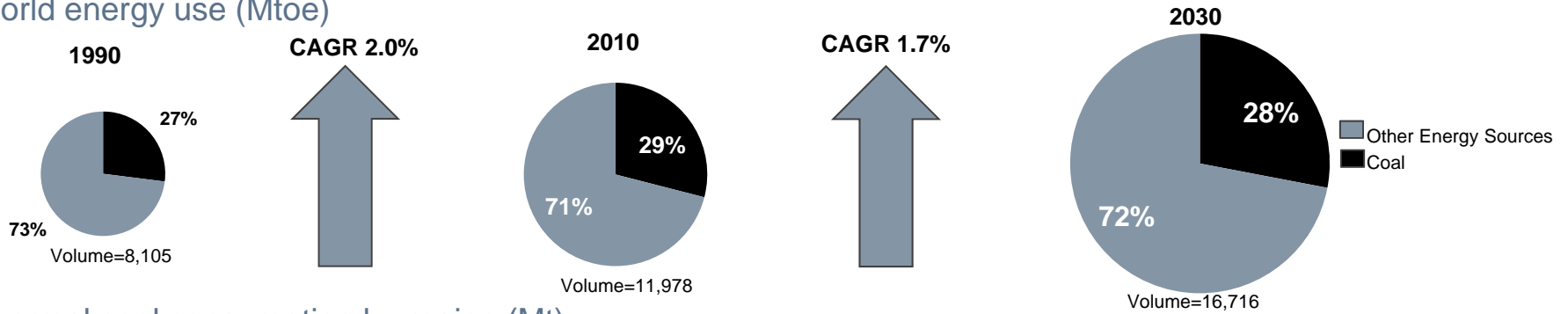
Note: Coalspur estimates above include projected production tonnes sourced entirely from proven marketable reserves. Underlying assumptions are based on the 12 September 2012 technical report referred to in the Appendix. Capital and operating costs are based on the ASX announcements dated 19 and 22 June 2013. Brokers consensus and spot pricing are assumed consistent over all years. Foreign exchange at USDCAD \$0.89.



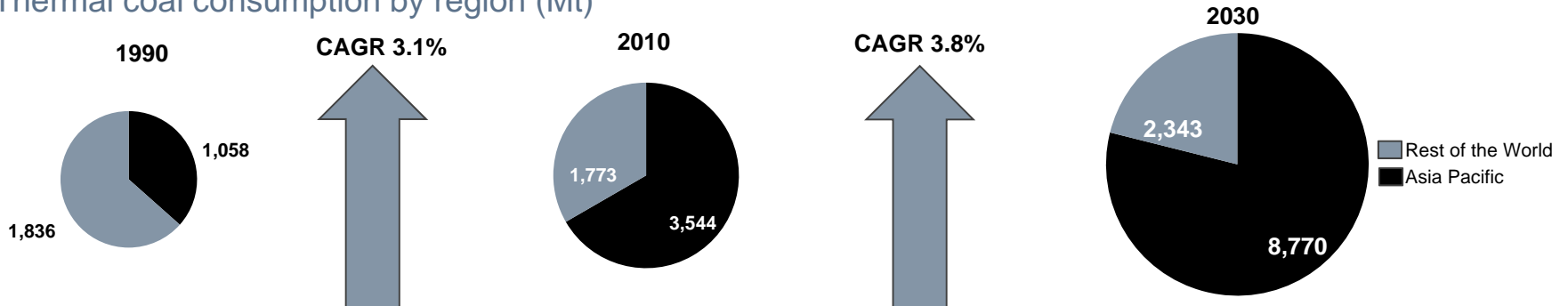
# The world remains reliant on thermal coal

- The last 20 years and the next 20 years show thermal coal demand continuing to grow
- Thermal coal will remain a dominant source of energy globally
- Strong growth of emerging economies has drastically skewed coal consumption to Asia-Pacific
- In the long term, growth of coal consumption will decelerate as policies and regulations encourage the use of cleaner energy – favourable for higher quality coals

## World energy use (Mtoe)



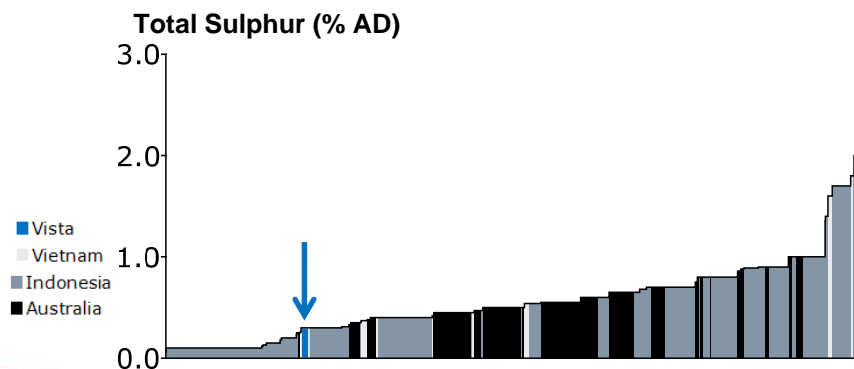
## Thermal coal consumption by region (Mt)



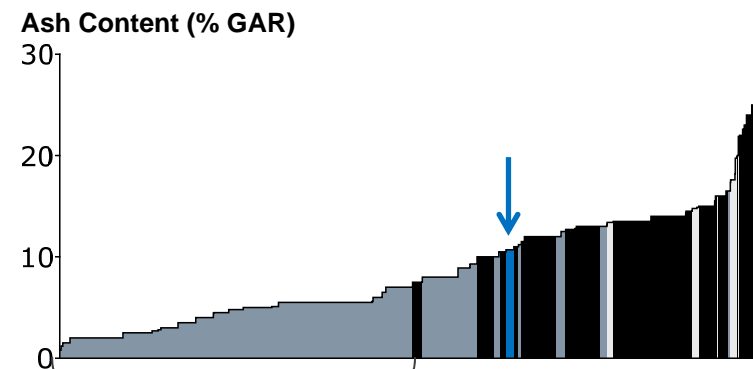
Sources: BP Energy Outlook 2013, World Coal Association Coal Facts (2012) and Wood Mackenzie

# Asian growth requires more coal

- Strong Asian demand growth is underpinned by China and India
- Japan (Coalspur's closest market) is burning record amounts of coal:
  - Seeking Canadian coal for reasons of diversity, quality and proximity to market
  - Pay a premium to the market to ensure certainty of supply and quality
  - On-going discussions with power utilities
- South Korean demand will increase substantially due to planned new coal generating capacity
- Other Asian markets, such as Taiwan, value low ash, low sulphur coal
- New taxes target low quality coals to deliver environmental goals
- Vista is well positioned in its target market due to its location and quality characteristics



Source: Wood Mackenzie Ltd. Data set November 2013

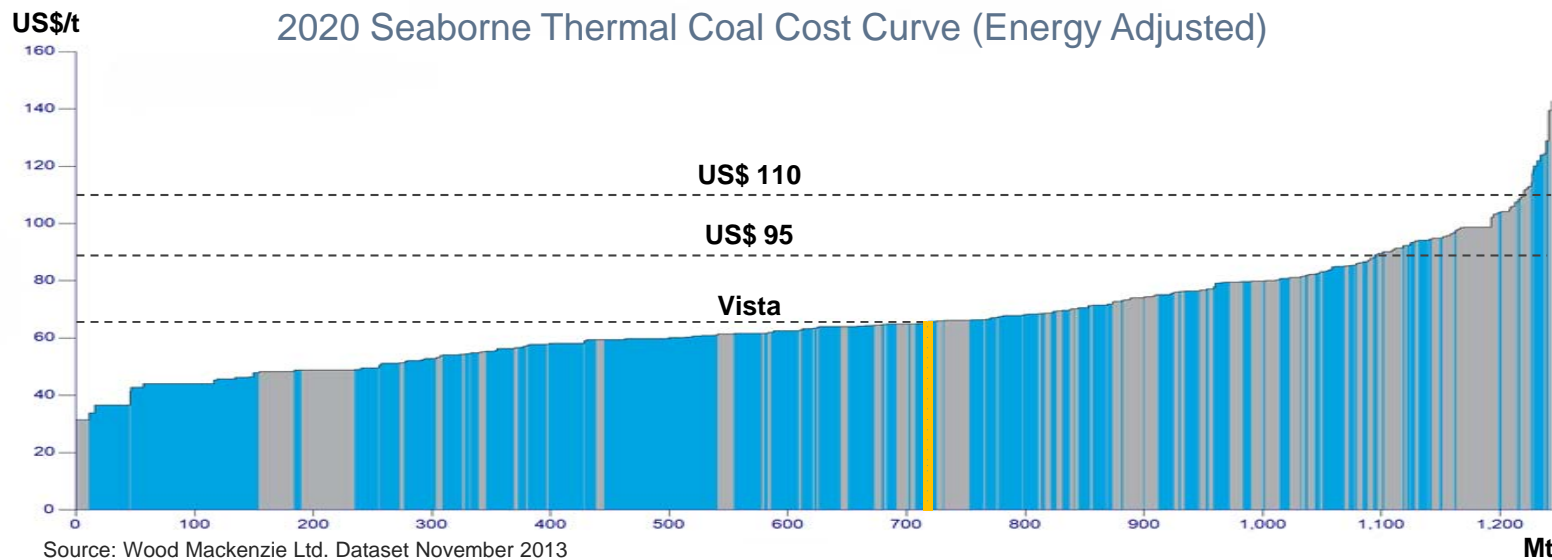


Sub-bituminous Indonesian coal



# Current prices will impact supply

- Current and short-term forecast thermal coal prices considered unsustainable due to:
  - Indonesian supply under cost pressure from higher strip ratios, inconvenient locations and limited infrastructure; and efforts from government to clampdown on illegal mining
  - Australian mines suffering from cost inflation with significant number of operations cash negative at current prices. Multiple obstacles for greenfield sites with project lead times reaching 10 years
  - US supply contracting, unlikely to reach significant levels into Pacific Basin
- On-going cancellation of high capex, greenfield coal projects – especially those further up the cost curve





# In summary

- Changes in management have led to project optimisation and execution capability – building a Canadian export business
- At C\$478M for 6 Mtpa capacity, expanding to 12 Mtpa organically from cash flow, Vista is one of the most capital efficient projects globally
- Opportune time to construct and invest (90% of capital tendered and negotiated with performance guarantees)
- FOB costs of US\$58/t underpin profitability through the cycle
- Final AER decision within 60 days
- Funding structure being finalised
- Mobilisation expected mid 2014
- First coal mid 2016



*Coalspur (Alberta, Canada) 6.5km rail siding clearing (2013)*

# Appendix

- Share Structure and Corporate Details
- Clean Coal Specifications
- Reserves and Resources

# Share structure and corporate details

## CAPITAL STRUCTURE

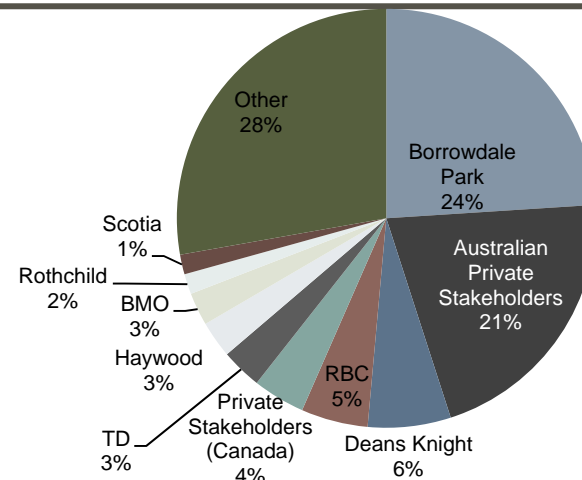
|  |                       |
|--|-----------------------|
| Fully Paid Ordinary Shares             | 641.4 million         |
| <b>Market Cap Undiluted (@C\$0.30)</b> | <b>C\$192 million</b> |
| Performance Rights                     | 8.0 million           |
| Unlisted Options (A\$0.20 – A\$1.62)   | 24.5 million          |
| EIG and Borrowdale Warrants (A\$0.55)  | 134.0 million         |

As at 19 February 2014

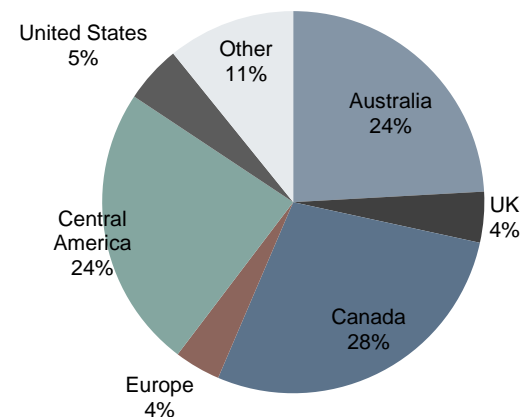
## ANALYST COVERAGE

Bell Potter Securities – Stuart Howe  
 BMO Capital Markets – Meredith Bandy  
 Dundee Securities – David Charles  
 Haywood Securities – Colin Healey  
 Patersons Securities Limited – Matthew Trivett  
 RBC Capital Markets – Patrick Morton  
 Salman Partners – Mike Plaster

## SHAREHOLDER COMPOSITION (Top 10)



## SHAREHOLDER COMPOSITION (Country)



As at 13 November 2013



# Clean coal specifications

- Vista will produce high quality thermal coal that is attractive to Asian buyers
  - 88% of ROM production will be mined from the high quality Val D'Or and McPherson seams
  - Low-ash and ultra-low sulphur

## Vista Indicative Washed Clean Coal Specifications

|                               | <i>Val D'Or Blend</i> | <i>Vista Blend</i> |
|-------------------------------|-----------------------|--------------------|
| <b>Coal Characteristics</b>   |                       |                    |
| Calorific Value kcal/kg (gar) | 5,750 – 5,800         | 5,550 – 5,660      |
| Total Moisture %              | 11.5 – 12.5%          | 11.5 – 12.5%       |
| Ash Content % (gar)           | 9 – 11%               | 10 – 12%           |
| HGI (ad)                      | 40 – 41               | 39 – 40            |
| Volatile Matter % (ad)        | 32 – 35%              | 30 – 33%           |
| Total Sulphur % (ad)          | 0.35 – 0.45%          | 0.35 – 0.45%       |

# JORC / NI 43-101 - Coal Reserves & Resources

## JORC / NI 43-101 Vista Coal Reserves

| Coal Seam                      | Recoverable Coal Reserve |               |                        | Marketable Coal Reserve |               |                        |
|--------------------------------|--------------------------|---------------|------------------------|-------------------------|---------------|------------------------|
|                                | Proven (Mt)              | Probable (Mt) | Proven & Probable (Mt) | Proven (Mt)             | Probable (Mt) | Proven & Probable (Mt) |
| Val D'Or and McPherson         | 429.3                    | 45.9          | 475.2                  | 248.5                   | 26.5          | 275.0                  |
| McLeod                         | 74.4                     | 16.0          | 90.3                   | 31.5                    | 6.9           | 38.4                   |
| <b>Coalspur Total Reserves</b> | <b>503.7</b>             | <b>61.8</b>   | <b>565.5</b>           | <b>280.0</b>            | <b>33.3</b>   | <b>313.4</b>           |

Note: Coal Reserve estimates effective December 13, 2011

## JORC / NI 43-101 Coal Resources

|                                 | Measured (Mt) | Indicated (Mt) | Measured & Indicated (Mt) | Inferred (Mt)  |
|---------------------------------|---------------|----------------|---------------------------|----------------|
| Vista                           | 686.0         | 369.9          | 1,055.9                   | 460.9          |
| Vista Extension                 | 6.5           | 167.2          | 173.7                     | 969.3          |
| Vista South                     | 210.6         | 259.9          | 470.5                     | 604.5          |
| <b>Coalspur Total Resources</b> | <b>903.1</b>  | <b>797.0</b>   | <b>1,700.1</b>            | <b>2,034.7</b> |

Note: Vista Extension Resource estimates effective May 8, 2012, Vista South Resource estimates effective May 8, 2012 and Vista Resource estimates effective May 22, 2010.

# Regulatory disclosures

## Regulatory Disclosures

For further information regarding Vista and Vista Extension, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012 (refer to ASX announcement dated September 21, 2012). Capital and operating costs assumptions are based on the ASX announcements dated June 19 and 22, 2013. For further information regarding Vista South, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports are available for review at [www.sedar.com](http://www.sedar.com).

## Competent Person / Qualified Person Statements

The information in this presentation that relates to mining infrastructure and associated capital costs, coal processing and related capital costs, is based on information compiled by Colin Gilligan, the Chief Operating Officer of Coalspur. Mr. Gilligan is a full time employee of Coalspur and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to approve and consent to the inclusion of such information in this presentation. Mr. Gilligan has approved and consents to the inclusion of such information in this presentation in the form and context in which it appears.

The information in this presentation that relates to mining infrastructure and associated capital costs, coal processing and related capital costs, is based on information compiled by Mr. Colin Gilligan, the Chief Operating Officer of Coalspur, and has been reviewed by Mr. Richard Tremblay, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Tremblay is a full-time employee of Coalspur, and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a "Competent Person" as defined in the JORC Code and as a "Qualified Person" under NI 43-101. Mr. Tremblay has approved and consents to the inclusion of such information in this presentation in the form and context in which it appears.

The information in this presentation that relates to coal quality, coal Resources, coal Reserves and yield estimates to derive marketable coal Reserves, is based on information compiled by Mr. John Innis, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Innis is a full-time employee of Coalspur. Mr. Innis has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code and as a "Qualified Person" under NI 43-101. This information was prepared and first disclosed under the JORC Code 2004. It has been not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr. Innis has approved and consents to the inclusion of such information in this presentation in the form and context in which it appears.



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