COALSPUR MINES LIMITED

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND MD&A FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2012

ABN 73 003 041 59

CORPORATE DIRECTORY

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Mr Eugene Wusaty – Managing Director and CEO
Mr David Murray
Mr Denis Turcotte
Mr Peter Breese
Mr Ted Mayers
Mr Mark Rodda
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Management's Discussion and Analysis

For the Three Months and Nine Months Ended March 31, 2012
(All figures are in Canadian dollars unless otherwise indicated)

The Board of Directors of Coalspur Mines Limited present their report on the consolidated entity of Coalspur Mines Limited ("**Coalspur**" or "**Company**") and the entities it controlled during the three months and nine months ended March 31, 2012 ("**Consolidated Entity**").

INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the Condensed Consolidated Financial Statements for the three months and nine months ended March 31, 2012 which are unaudited. The effective date of this report is May 15, 2012.

This discussion is current at the date of this MD&A. The condensed consolidated financial statements (and the financial information contained in this MD&A) were prepared in accordance with Australian equivalents to International Financial Reporting Standards ("**AIFRS**"). All figures are expressed in Canadian dollars ("**$**") unless otherwise indicated. *Please note that the Company changed its reporting and presentation currency from Australian to Canadian dollars during the most recent quarter, as described in Note 1 to the financial statements.*

Unless the context otherwise requires, references in this MD&A to the 'Company' or 'Coalspur' are references to Coalspur Mines Limited and its subsidiaries.

Additional information relating to the Company and its business, including the Company's Annual Information Form ("**AIF**"), is available under the Company's profile on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

The following MD&A contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the development of Vista, funding for the development of Vista, the outcome of any arrangements with partners which may provide future funding for the development of Vista or coal marketing arrangements for Coalspur, any reduction in costs for the development of Vista, the Company's Feasibility Study, the mine plan, drilling programs, time lines and completion dates, permits and approvals, an updated resource for Vista South, Vista Extension, business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, studies, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'will', 'expect', 'potential', 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'plan', 'forecast', 'future', 'evolve' or variations of such terms and similar expressions. Persons reading this MD&A are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation, inherent uncertainties and risks associated with mineral exploration; uncertainties related to the availability of future financing necessary to undertake activities on the Company's properties; uncertainties related to general economic conditions; uncertainties related to global financial conditions; risks related to the integration of businesses and assets acquired by the Company; risks associated with the Company having no history of earnings or production revenue; uncertainties related to the possible recalculation of, or reduction in, the Company's mineral reserves and resources; uncertainties related to the outcome of studies to be undertaken by the Company; uncertainties relating to fluctuations in coal price; the risk that the Company's title to its properties could be challenged; risks related to the Company's ability to attract and retain qualified personnel; uncertainties related to the requirement for ministerial approval for a change of control of the Company; risks relating to consultation with the public and aboriginal groups; uncertainties related to the competitiveness of the mineral resource industry; risks associated with the Company being subject to government regulation, including changes in regulation; risks associated with the Company being subject to environmental laws and regulations, including a change in regulation; risks associated with the Company's need for governmental licenses, permits and approvals; uninsured risks and hazards; risks associated with fluctuations in foreign exchange rates; risks related to default by joint venture parties, contractors and agents; inherent risks associated with litigation; risks associated with potential conflicts of interest; risks related to effecting service of process on directors resident in foreign countries; uncertainties related to the Company's limited operating history; risks related to the Company's lack of a dividend history; risks relating to short term investments; and uncertainties related to fluctuations in the Company's share price. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements contained in this MD&A are made as of the date of this MD&A and Coalspur disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

OVERVIEW SUMMARY

Coalspur is a coal exploration and development company with approximately 55,000 hectares of coal exploration leases located near Hinton, Alberta, Canada. Coalspur's flagship coal project is the Vista Coal Project ("**Vista**"), which has the potential to be the largest export thermal coal mine in North America. Vista is located in the heart of the Coal Branch Region near Hinton, Alberta and is located in close proximity to existing transportation infrastructure. In addition, Coalspur holds coal leases directly to the south and north of Vista which the Company believes have the potential to host a significant coal resource, and leverage off planned infrastructure at Vista.

Coalspur is incorporated under the laws of Australia and listed on the Australian Securities Exchange (the "**ASX**") under the symbol 'CPL' and the Toronto Stock Exchange (the "**TSX**") under the symbol 'CPT'. The Company's principal objective is to become a significant coal producer in the short to medium term.

OVERALL PERFORMANCE

The Company made considerable progress during the first nine months of the year by arranging a $70 million credit facility to fund continued exploration and development of mineral properties, by arranging for transportation services to and from tidewater, and by making substantial progress on technical, regulatory, and financing initiatives related to Vista.

Total cash decreased $46 million from $68 million at June 30, 2011, to $22 million at March 31, 2012 as a result of continued acquisition, exploration, evaluation, and development expenditures associated with its mineral properties near Hinton, Alberta. Significant amounts include:

- $35.5 million to secure 13.5 million tonnes per annum ("**Mtpa**") coal shipping capacity at Ridley Terminals Inc. ("**Ridley Terminals**") near Prince Rupert, British Columbia

- $12.4 million to progress technical and regulatory initiatives associated with Vista. During the 9 months ended March 31, 2012, the Company completed a Feasibility Study on Vista, commenced detailed engineering, and made considerable progress on regulatory applications required to begin construction of mining facilities
- $6.0 million for the acquisition of mineral leases
- $1.9 million for exploration drilling on its Vista South Coal Project ("**Vista South**")

These expenditures were partially offset by proceeds of $12.8 million for the exercise of options to purchase ordinary shares.

In comparison, the Company's net decrease in cash for the year to date ended March 31, 2011 was $7.4 million. While 2011 expenditures to acquire exploration and evaluation assets exceeded $81 million, they were more than offset by equity contributions totalling $87 million which came from public and private offerings of ordinary shares, and from the exercise of listed and unlisted options to purchase ordinary shares.

The March 31, 2012 net loss increased approximately 50% from the prior year for both the quarter and year to date due to increased exploration and evaluation expenses on the Company's mining properties near Hinton, and also due to increased administrative and corporate expenses required to support the Company's development efforts. The Company does not anticipate any significant revenue until early 2015.

Subsequent to March 31, 2012, the Company acquired 14,432 hectares of coal bearing leases ("**Vista Extension**") for $13.0 million in cash which increased Coalspur's measured and indicated resources by 15% to 1,323 million tonnes, and inferred resources by 181% to 1,505 million tonnes. Coalspur intends to explore and evaluate Vista Extension in the coming months, which could lead to a resource update, and will likely lead to increased exploration and evaluation expenditures.

During the quarter ended March 31, 2012 the Company entered into an agreement with Borrowdale Park S.A. (the "**Highland Park Group**") for a $70 million loan facility ("**Facility Agreement**") which will provide Coalspur with capital resources to progress detailed engineering on Vista and pursue further business development opportunities The Facility Agreement provides the Highland Park Group with security over the Company's assets, and requires the Company to issue 8,000,000 establishment options and 7,000,000 funding options (subject to vesting conditions). Shareholders voted to approve the granting of security and issue of options to the Highland Park Group at a meeting held April 26, 2012. The Company plans to begin drawing on the Facility Agreement in the fourth quarter of this fiscal year.

Further financing is required in order for the Company to achieve its objective to become a significant coal producer in the short to medium term. Success in attaining this funding depends in part on the continued strength in the commodity market for seaborne thermal coal, and the general economic environment.

DISCUSSION OF OPERATIONS

Vista Coal Project

Vista is the Company's flagship mining project, and covers approximately 10,000 hectares within the region of Hinton, Alberta Canada. With a marketable coal reserve of over 313 million tonnes, available infrastructure to transport coal to deepwater ports on Canada's west coast, and growing demand from Asia Pacific Rim countries, Vista has the potential to become the largest export thermal coal mine in North America.

The Company made considerable progress on Vista during the quarter and year to date ending March 31, 2012 by advancing its technical understanding of the project area, arranging transportation services to and from tidewater, and by making substantial progress on regulatory applications and project financing. Coalspur plans to begin project construction on Vista in early calendar 2013 following the anticipated receipt of regulatory approvals

Coalspur completed a Feasibility Study on Vista during the third quarter, and as a result, transferred $97 million of mining lease acquisition costs from exploration and evaluation assets to mine development assets, and capitalized $2.4 million in direct project expenditures as mine development assets. On a year to date basis, a $6.0 million planned payment was made to acquire mineral rights within Vista. In comparison, the Company capitalized $83 million worth of mineral lease acquisitions during the nine months ending March 31, 2011 on Vista, none of which occurred in the third quarter.

As detailed in Note 5 to the financial statements, the Company signed two port agreements with Ridley Terminals during the year, prepaid $32 million in port throughput fees, and paid $3.5 million in option fees to acquire throughput capacity. Additional deposits under these contracts will be required.

Exploration and evaluation expenses for Vista totalled $12.4 million for the nine months, and $0.7 million for the quarter ended March 31, 2012. In comparison, Vista exploration and evaluation costs totalled $8.4 million and $2.9 million for corresponding periods during the 2011 fiscal year. Year to date expenses were higher in 2012 due to completion of the Vista Feasibility Study, which took more contractor and employee resources to complete than the Vista Pre-Feasibility Study that was in progress during 2011. Total third quarter expenditures on Vista were 25% higher in 2012 than in 2011, however $2.9 million of the 2012 expenditures were capitalized as mine development assets following the completion of the Vista Feasibility Study. As a result, 2012 third quarter expenses for the Vista project dropped $2.2 million from the prior year.

1. Technical Development

The Company published a Feasibility Study on January 30, 2012, which demonstrated Vista's potential to become a strategic supplier of thermal coal to Asian Pacific economies. Highlights of the Feasibility Study include:

- Vista will be developed using a two-phased approach, with initial production at 5.0Mtpa. This will be followed by a second development phase which will only commence after the completion of Phase 1, taking annual coal production to 11.2Mtpa;
- Capital costs for Phase 1 will total $864 million to reach production capacity of 5.0Mtpa;
- Additional capital of $370 million is required to develop Phase 2, which will provide additional capacity of 6.2Mtpa. As Phase 2 will be developed after the completion of Phase 1, Coalspur expects to be able to fund the majority of Phase 2 out of cash generated from the first phase. Therefore, the maximum capital cash requirement for both phases of Vista is expected to be $894 million;
- Marketable Coal Reserves of 313Mt from a Recoverable Coal Reserve of 566Mt; and
- Mine gate costs of C$27.3/t in the first 10 years of production and C$34.4/t over the life of mine.

In March 2012, the Company contracted with CWA Engineering Inc. ("**CWA**") to commence detailed engineering on Vista. CWA will be responsible for the engineering, procurement, and construction management, and will engage sub-contractors to perform other specialized services.

On April 26, Coalspur announced the results of a study to optimize the coal process plant utilization at Vista which resulted in a 7% increase to forecast annual production capacity to 12.0Mtpa over both phases of the project. The changes associated with the optimization study increased forecast capital costs by $9 million and increased average operating cash flows by 6%, from $587 million to $626 million per year.

(All figures are in Canadian dollars unless otherwise indicated)

2. Port allocation for up to 13.5Mtpa with Ridley Terminals

The Company signed two port allocation agreements with Ridley Terminals during the year for combined throughput of up to 13.5Mtpa, commencing in 2015. The initial term of both contracts expires in 2028, and each has an optional, 7 year extension. The table below summarizes the contracted shipping volumes assuming no contracts are cancelled, and all options to acquire additional throughput capacity are exercised. Additional details are disclosed in Note 5 to the attached financial statements.

Summary of Contract Volumes with Ridley Terminals

Contracted annual port capacity (Mtpa)	First Contract	Option # 1	Second Contract	Option #2	Total
Initial contract term:					
2015	2.5	-	-	-	2.5
2016	4.5	-	-	-	4.5
2017	6.0	-	2.5	-	8.5
2018	6.0	2.5	2.5	1.0	12.0
2019	6.0	2.5	3.0	1.0	12.5
2020	6.0	2.5	4.0	1.0	13.5
2021	6.0	2.5	4.0	1.0	13.5
2022	6.0	2.5	4.0	1.0	13.5
2023	6.0	2.5	4.0	1.0	13.5
2024	6.0	2.5	4.0	1.0	13.5
2025	6.0	2.5	4.0	1.0	13.5
2026	6.0	2.5	4.0	1.0	13.5
2027	6.0	2.5	4.0	1.0	13.5
2028	6.0	2.5	4.0	1.0	13.5
subtotal	*79.0*	*27.5*	*44.0*	*11.0*	*161.5*
Optional renewal term:					
2029	6.0	2.5	4.0	1.0	13.5
2030	6.0	2.5	4.0	1.0	13.5
2031	6.0	2.5	4.0	1.0	13.5
2032	6.0	2.5	4.0	1.0	13.5
2033	6.0	2.5	4.0	1.0	13.5
2034	6.0	2.5	4.0	1.0	13.5
2035	6.0	2.5	4.0	1.0	13.5
subtotal	*42.0*	*17.5*	*28.0*	*7.0*	*94.5*

3. Memorandum of Understanding with CN Rail

On November 10, 2011, the Company announced it had signed an MOU with CN Rail to develop a high quality logistics supply chain to transport export thermal coal from Vista to deepwater ports on Canada's west coast, and expects to negotiate a definitive transportation agreement in the coming months.

4. Submission of Regulatory Applications for Phase 1 of Vista

On May 2, 2012 Coalspur announced that it had filed the Vista Phase 1 regulatory applications required to construct, operate and commission Phase 1 of Vista, which will allow for production of up to 5.0Mtpa for 20 years. Coalspur expects to receive approval of the regulatory applications in early 2013 with construction on Vista to commence immediately afterwards.

5. Other

The Company is in discussions with a number of contractors to evaluate the possibility of contract mining during the construction, and initial years of mining production at Vista. The use of mining contractors has the potential to reduce or defer initial Phase 1 capital requirements.

Vista South Coal Project

Vista South covers 23,287 hectares and is located approximately 6km southwest of Vista. The Company believes Vista South has the potential to host a significant coal resource, which could provide significant value by leveraging off the planned infrastructure at Vista through mine expansion or extension of the project life.

The Company is engaged in an ongoing exploration program in Vista South since it initially acquired mineral rights to the area in December 2009. During the quarter the Company completed additional exploration drilling on Vista South which included over 40 rotary holes. Coalspur will utilize the newly acquired geological data in conjunction with previous drill results to complete a resource update which is expected to be available in the quarter ending June 30, 2012.

Exploration and evaluation expense totalled $2.1 million for the current year to date, and $1.3 million for the quarter end March 31, 2012. During the 2011 fiscal year, expenses totalled $0.8 million for both the third quarter and year to date.

(All figures are in Canadian dollars unless otherwise indicated)

Coal Reserves and Resources

The Coal Reserve and Coal Resource estimates have been prepared by independent consultants and are reported in accordance with the JORC Code (2004) ("**JORC**") and National Instrument 43-101 ("**NI 43-101**").

Table 1: JORC / NI 43-101 Compliant Coal Reserves - Vista Coal Project

	Recoverable Coal Reserve			Marketable Coal Reserve		
Coal Seam	**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**
Coalspur Total Reserves	**503.7**	**61.8**	**565.5**	**280.0**	**33.3**	**313.4**

Note: Coal Reserve estimates are effective December 13, 2011

Table 2: JORC / NI 43-101 Coal Resources

	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)
Vista Coal Project	686.0	369.9	**1,055.9**	460.9
Vista South Coal Project	51.5	41.9	**93.3**	75.0
Vista Extension	6.5	167.2	**173.7**	969.3
Coalspur Total Resources	**744.0**	**579.0**	**1,322.9**	**1,505.2**

Note: Vista Coal Project and Vista Extension Coal Resource estimates are effective May 8, 2012. Vista South Coal Project Coal Resource estimates effective December 15, 2010

Corporate and Administration

Corporate and administrative expenses for the year to date ended March 31, 2012 totalled $5.7 million, which represents a 33% increase from the prior year as a result of the increased size and complexity of the Company's operations. Expenses for the third quarter of 2012 totalled $2.3 million, up 145% from the corresponding quarter in 2011. The increase resulted from additional directors, employees, financing initiatives, and insurance premiums.

1. $70 million Credit Facility Agreement with Highland Park

On February 27, 2012, the Company entered an agreement with the Highland Park Group for a $70 million loan facility to provide the Company with capital resources to fund pre-construction development of Vista, acquisition of Vista Extension, and ongoing expenses prior to obtaining longer term financing. As of the date of this MD&A the full $70 million is available to Coalspur, however, the Company plans to begin drawing down on the facility during the fourth quarter.

The key terms and conditions of the Facility Agreement are as follows:

i. The secured facility is for up to $70 million, to be drawn in increments of $10 million;

ii. Interest is payable every 180 days and bears an annual interest rate of 6.25%;

iii. Drawdown period - 12 months from the satisfaction of the conditions precedent;

iv. Repayment period - 24 months with from first draw down;

v. Coalspur may repay the facility early, at its discretion, with no penalty;

vi. Shareholder approval for the grant of security and issue of options was received April 26, 2012;

vii. On May 8, 2012, Coalspur issued the Highland Park Group 15 million unlisted options to purchase ordinary shares as follows:

a. 8 million establishment options with an exercise price of A$1.562. These options expire on May 8, 2015.

b. 7 million funding options, which will vest at the rate of 1 million options per C$10 million drawn, with an exercise price equal to the greater of A$1.25, or 120% of the volume weighted average market price for the 5 trading days prior to the relevant draw down date. These options will expire 3 years from their respective vesting dates. Unvested options cannot be exercised and will expire on repayment or termination of the Facility Agreement.

2. Acquisition of Additional Coal Leases

On April 30, 2012, the Company announced the acquisition of Vista Extension for $13.0 million in cash. These coal leases cover 14,432 hectares, and are located on the northeast boundary of Vista in a land use area which is favourable for resource development in Alberta. NI 43-101 and JORC compliant Coal Resources are currently estimated at 173.7 million tonnes of measured and indicated Coal Resources, and 969.3 million tonnes of inferred Coal Resources. Coalspur is planning a drilling program on Vista Extension in the coming months to support future technical studies on the property.

The Company also acquired 7,296 additional hectares of coal leases from the Alberta Government in November 2011 for a nominal amount. The leases are approximately 10km from Vista and are strategically located in close proximity to existing rail infrastructure.

3. Discussions with Potential Strategic Investment Partners

The Company continues to pursue strategic investment partners who may provide future funding for the development of Vista and enter into coal marketing arrangements. Coalspur has engaged a financial advisor to assist with any potential transaction. The Company anticipates that this process will be completed during the fourth quarter, however, the structure of any transaction and/or funding arrangement is yet to be determined. The facility agreement with the Highland Park Group provides flexibility for a strategic investor to acquire up to 25% of Vista.

4. Director Appointments and Resignations

During the first nine months of the year, the Company appointed Mr Colin Steyn as Chairman, and five other Directors to further strengthen the Board with additional operational experience and Canadian capital market expertise in order to position Coalspur to successfully bring Vista into production.

- Mr Colin Steyn was appointed Non-Executive Chairman on September 6, 2011. Mr Steyn has been a non-executive director of the Company since October 21, 2010.
- Mr Peter Breese was appointed Non-executive Director on September 6, 2011.

- Messrs David Murray, Mark Rodda, and Ted Mayers were appointed Non-executive Directors on October 13, 2011. Mr Mayers is Chairman of the Company's Audit Committee.
- Mr William (Bill) Smart was appointed Alternate Director to Mr Colin Steyn and Mr Peter Breese on October 13, 2011.
- Following the appointment of Messrs Murray, Mayers, Rodda and Smart, Messrs Ian Middlemas and Mark Pearce resigned as Directors effective October 13, 2011.

5. Additional Key Appointments

- Mr Wayne Drier was appointed Vice President, Commercial on August 4, 2011.
- Mr Jay Bell was appointed acting CFO and Mr Simon Robertson was appointed Company Secretary effective on October 13, 2011 following the resignation of Mr Pearce.

(All figures are in Canadian dollars unless otherwise indicated)

Outstanding Share Information

As at the date of this MD&A, the Company had 620,729,899 fully paid ordinary shares issued and outstanding. The following table sets out the Company's securities that are currently issued and outstanding:

Type of Security	Number
Outstanding ordinary shares	620,729,899
Outstanding unlisted performance shares (note 1)	32,500,000
Outstanding unlisted performance share rights (note 2)	2,772,195
Outstanding unlisted options (note 3)	50,925,000
Total	**706,927,094**

Notes

(1) Unlisted performance shares were issued to acquire mineral projects and are convertible into ordinary shares upon the satisfaction of certain milestones.

(2) Unlisted performance share rights are issued pursuant to the Company's Performance Rights Plans to attract and retain directors, employees, and key contractors. 93,570 performance share rights were issued, and 45,000 performance share rights were cancelled since March 31, 2012.

(3) The outstanding unlisted options are convertible into ordinary shares and are subject to exercise prices ranging from A$0.10 to A$1.56 and expiry dates ranging from December 31, 2012 to June 30, 2015. At the date of this MD&A, 45,925,000 unlisted options were exercisable. On April 26, 2012 shareholders approved the issue of 8 million establishment options and 7 million funding options to the Highland Park Group for the $70 million credit facility.

Coalspur's current market capitalization is approximately A$788 million based on the May 15, 2012 ASX closing price of A$1.27 (approximately A$888 million calculated on a diluted basis including all ordinary shares, performance rights, and in-the-money options).

Summary of Quarterly Results

The quarterly information presented below has been restated from Australian to Canadian dollars. Assets and liabilities were translated at the closing exchange of their relevant periods, and income and expenses were translated using the average exchange rate for the period as disclosed in Note 1 to the attached financial statements.

($000s, except per share amounts) Canadian Dollars	Quarter Ended (Unaudited)							
	31-Mar 2012	31-Dec 2011	30-Sep 2011	30-Jun 2011	31-Mar 2011	31-Dec 2010	30-Sep 2010	30-Jun 2010
Net loss	**(5,541)**	(9,564)	(4,210)	(3,882)	(3,708)	(4,168)	(4,846)	(2,121)
Loss per share (cents per share)	**(0.80)**	(1.58)	(0.73)	(0.74)	(0.76)	(0.84)	(1.56)	(0.65)
Capital expenditures								
Exploration and evaluation expenditures	**-**	6,028	-	6	-	83,543	112	6,623
Mine development expenditures	**2,410**	-	-	-	-	-	-	-
Cash and cash equivalents	**22,220**	23,905	64,334	67,973	12,793	16,579	25,811	19,051
Property, plant, and equipment	**769**	777	412	105	120	87	41	59
Exploration and evaluation assets	**509**	99,881	93,853	93,853	93,847	93,847	10,304	10,192
Mine development assets	**105,314**	-	-	-	-	-	-	-
Total assets	**165,102**	154,973	161,174	165,576	110,592	114,191	39,774	33,039
Current liabilities	**4,220**	2,769	2,411	2,188	1,795	3,003	1,286	1,672
Long term liabilities	**-**	-	-	-	-	-	-	-
Total liabilities	**4,220**	2,769	2,411	2,188	1,795	3,003	1,286	1,672
Working capital	**18,763**	21,554	61,183	66,036	11,499	13,916	24,574	17,552

Consistent with the annual results noted in the section above, capital expenditures, the net loss before income tax, and the growth in net assets reflect the Company's increasing efforts with respect to exploration, evaluation, and development of coal properties in the Hinton region.

Total assets increased $8.7 million during the most recent quarter due to $13.5 million in proceeds from the exercise of options to purchase ordinary shares, which were partially offset by the net loss of $5.5 million. $2.4 million of mine development expenditures were capitalized during the quarter which would have been expensed prior to the completion of the Vista Coal Project Feasibility Study.

Financial Condition and Liquidity

The Company's cash balance dropped $46 million in the first nine months of year as a result of investments and operating costs required to progress the Vista Coal Project. These expenditures were partially offset by $13.5 million in proceeds from the exercising of options to purchase ordinary shares.

The Company does not generate any revenue at present. In February 2012, the Company arranged a $70 million credit facility in order to fund the pre-construction development of Vista, acquisition of Vista Extension, and ongoing expenses; however, it will require additional capital funds in order to develop its Vista Project into a revenue generating mine. The Company forecasts that over $870 million in capital funding is required to bring Vista to first production. This capital could prove difficult to obtain in the event of an economic downturn, reduction in the price of thermal coal, or a decline in the Company's stock value.

At the date of this MD&A, the Company has cash and cash equivalents of $3.7 million which are invested with major Canadian and Australian banks in cashable term deposits and an available debt facility of $70 million. The Company has initiated its first drawdown on the debt facility, which it anticipates to receive shortly.

The following is a summary of the Company's outstanding commitments and contracted payments.

Commitments and planned payments	Planned Annual Payments			
($000s) *Canadian Dollars*	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating leases	366	400	-	-
Mineral and surface leases	141	191	191	191
Mineral lease acquisitions	13,000	10,000	-	-
Port capacity deposits	18,000	4,000	-	-
Total commitments and contracted payments	**31,507**	**14,591**	**191**	**191**

Subsequent to March 31, 2012, the Company paid $13 million cash for the purchase of Vista Extension, which is shown in the table above as a planned payment in less than one year.

The Company holds a beneficial interest in five coal leases that are integral to Vista. In accordance with the terms of the agreement to purchase these leases, initial payments of $2 million and $6 million have been made, but title to the leases will only pass to Coalspur Mines (Operations) Ltd. upon the payment of an additional $10 million by February 19, 2016.

Additional deposits totalling $22 million must be paid to Ridley Terminals in order to secure the full allotment of 8.5 Mtpa in port throughput capacity. In addition, minimum throughput payments to Ridley Terminals may be required beginning in 2017. The Company believes it is unlikely these payments will be incurred, as it will either utilize the throughput capacity itself, or sell it to other parties.

TRANSACTIONS WITH RELATED PARTIES

In February 2012, the Company entered into a $70 million loan agreement with the Highland Park Group, which is associated with Messrs Colin Steyn and William Smart. Under the agreement, Coalspur provided the Highland Park Group with security over its assets, and issued 15 million options to purchase ordinary shares, as described in the MD&A. In addition to obtaining shareholder approval for the issue of security and options on April 26, 2012, the Company initiated a committee of independent directors to evaluate the transaction on behalf of the Board of Directors. Messer's Steyn and Smart abstained from discussion and voting on issues related to the facility.

A placement fee of 5% ($555,000) was paid in the first quarter to the Highland Park Group in relation to a private placement of 6,000,000 Ordinary Shares in June 2011.

Apollo Group Pty Ltd ("**Apollo Group**"), a company of which Mr Mark Pearce is a director, received a monthly retainer of A$21,500 for the provision of administrative and accounting services and the provision of a fully serviced office to Coalspur between July 1, 2011 and November 30, 2011. Apollo also received, from time to time, consulting fees for additional services provided. Apollo ceased to be a related party to Coalspur following the resignation of Mr Mark Pearce as a Coalspur director on October 13, 2011.

All related party transactions are measured at cost which approximates market value for services provided or fees paid.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The attached financial statements were prepared in accordance with AIFRS. A description of the Company's significant accounting policies is provided in Note 1 to the annual financial statements. At present, the Company has no accounting estimates that rely on highly uncertain assumptions that are likely to change in the future.

Functional and Presentation Currency

The Company changed its presentation currency from Australian to Canadian dollars on a basis during the quarter ended March 31, 2012 as described in Note 1 to the attached interim financial statements.

Exploration, Evaluation, and Development Expenditures

The Company completed a Feasibility Study on Vista during the third quarter. In accordance with the Company's accounting policy, $97 million worth of exploration and evaluation assets were transferred to mine development assets following the completion of the Vista Coal Project Feasibility Study on January 30, 2012. In addition, $2.4 million of direct exploration and evaluation expenditures associated with Vista were capitalized as mine development assets for the first time. Future direct development expenditures pertaining to the Vista Coal Project will be capitalized as mine development assets, and evaluated for impairment on a quarterly basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2012 that materially affect, or are reasonably likely to materially affect, internal control over financial reporting.

Regulatory Disclosures:

The accompanying Condensed Consolidated Financial Statements for the three and nine months ended March 31, 2012 have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards and have not been audited by the Company's auditor. The effective date of these Condensed Consolidated Financial Statements is May 15, 2012.

*For further information regarding the Vista Coal Project and Vista South Coal Project, 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 on the Vista Coal Project titled Coalspur Mines Limited: Feasibility Study of the Vista Coal Project, Hinton, Alberta dated January 26, 2012 and the technical report on the Vista South Coal Project titled "Resource Estimate for the Vista South Coal Property" dated December 15, 2010 , which are compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("**NI 43-101**") and are available for review on SEDAR at sedar.com.*

Competent Person / Qualified Person Statements:

*The information in this MD&A that relates to Recoverable Coal Reserves, mining engineering, mining capital cost, mining operating costs, and economic financial analysis is based on information compiled by Mr. David Leslie, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Leslie is a full-time employee of Coalspur. Mr. Leslie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**"), and a "Qualified Person" under NI 43-101. Mr. Leslie has approved and consents to the inclusion of such information in this report in the form and context in which it appears.*

The information in this MD&A that relates to coal quality and process yield estimates to derive Marketable Coal Reserves, operating costs and capital costs related to coal crushing, coal handling, and infrastructure, coal crushing, handling, processing and thermal drying is based on information compiled by Mr. Gordon Mudryk, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Mudryk is a full-time employee of Coalspur. Mr. Mudryk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Mudryk has approved and consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this MD&A that relates to Coal Resources 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 mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Innis has approved and consents to the inclusion of such information in this report in the form and context in which it appears.

All other scientific and technical information in this MD&A is based on information compiled by Mr. Eugene Wusaty, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Wusaty is a full-time employee of Coalspur. Mr. Wusaty has sufficient experience which is relevant to the style of mineralisation 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 a "Qualified Person" under NI 43-101. Mr. Wusaty has approved and consents to the inclusion of such information in this report in the form and context in which it appears.

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
EXPRESSED IN CANADIAN DOLLARS

Canadian Dollars	Note	Three Months Ended March 31, 2012 (Unaudited)	Three Months Ended March 31, 2011 (Unaudited)	Nine Months Ended March 31, 2012 (Unaudited)	Nine Months Ended March 31, 2011 (Unaudited)
Continuing operations					
Exploration and evaluation expenses		**(3,273,853)**	(2,949,494)	**(14,279,804)**	(9,216,744)
Corporate and administrative expenses		**(2,311,447)**	(942,563)	**(5,714,858)**	(4,285,397)
Interest income		**92,155**	183,872	**505,120**	729,489
Net foreign exchange gain /(loss)		**(47,384)**	-	**25,698**	-
Other expenses	3	**-**	-	**-**	(4,761)
Loss for the period		**(5,540,529)**	(3,708,185)	**(19,463,844)**	(12,777,413)
Loss attributable to members of Coalspur Mines Limited		**(5,540,529)**	(3,708,185)	**(19,463,844)**	(12,777,413)
Other comprehensive income					
Exchange differences on translation of foreign operations		**(5,714,112)**	1,316,023	**(6,115,608)**	(1,659,388)
Other comprehensive income for the period, net of tax		**(5,714,112)**	1,316,023	**(6,115,608)**	(1,659,388)
Total comprehensive income for the period		**(11,254,641)**	(2,392,162)	**(25,579,452)**	(14,436,801)
Total comprehensive income attributable to members of Coalspur Mines Limited		**(11,254,641)**	(2,392,162)	**(25,579,452)**	(14,436,801)
Earnings per share (cents per share)					
Basic and diluted loss per share		**(0.91)**	(0.76)	**(3.31)**	(2.94)

The above Condensed Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS

Canadian Dollars	Note	March 31 2012 (Unaudited)	June 30 2011 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents		**22,219,942**	67,972,547
Trade and other receivables		**780,631**	204,769
Prepayments		**9,321**	46,678
Total Current Assets		**23,009,894**	68,223,994
Non-current Assets			
Property, plant and equipment		**768,770**	107,780
Exploration and evaluation assets	4	**509,294**	97,244,644
Mine development assets	4	**105,313,691**	-
Prepayments	5	**32,000,000**	-
Intangible	5	**3,500,000**	-
Total Non-current Assets		**142,091,755**	97,352,424
TOTAL ASSETS		**165,101,649**	165,576,418
LIABILITIES			
Current Liabilities			
Trade and other payables		**4,182,332**	2,158,664
Provisions		**37,890**	29,420
Total Current Liabilities		**4,220,222**	2,188,084
TOTAL LIABILITIES		**4,220,222**	**2,188,084**
NET ASSETS		**160,881,427**	163,388,334
EQUITY			
Contributed equity	6	**216,197,853**	195,545,209
Share based payment reserve	7	**11,414,411**	9,578,626
Foreign currency translation reserve		**(11,515,987)**	(5,253,378)
Accumulated losses		**(55,214,850)**	(36,482,123)
TOTAL EQUITY		**160,881,427**	163,388,334

The above Condensed Interim Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN CANADIAN DOLLARS

For the Nine Months Ended March 31, 2012 (Unaudited) Canadian Dollars	Ordinary Shares	Performance Shares	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Balance at July 1, 2011	195,544,433	776	9,578,626	(5,253,378)	(36,482,123)	163,388,334
Net loss for the period	-	-	-	-	(19,463,844)	(19,463,844)
Functional currency translation variance	5,471,822	22	268,029	(147,001)	731,117	6,323,989
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	-	-	-	(6,115,608)	-	(6,115,608)
Total comprehensive loss for the period	-	-	-	(6,262,609)	(18,732,727)	(24,995,336)
Transactions with owners, recorded directly in equity:						
Issue of ordinary shares	-	-	-	-	-	-
Share issue costs	(33,664)	-		-	-	(33,664)
Exercise of unlisted options	13,559,257	-	(691,301)	-	-	12,867,956
Share based payments	-	-	3,914,264	-	-	3,914,264
Exercise of share rights	1,655,207	-	(1,655,207)	-	-	-
Balance March 31, 2012	216,197,055	798	11,414,411	(11,515,987)	(55,214,850)	160,881,427

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Coalspur

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN CANADIAN DOLLARS

For the Nine Months Ended March 31, 2011 (Unaudited) Canadian Dollars	Ordinary Shares	Performance Shares	Option Premium Reserve	Foreign Currency Translation Reserve	Available-for-Sale Investments Reserve	Accumulated Losses	Total Equity
Balance at July 1, 2010	43,334,736	673	4,690,953	(385,633)	-	(16,519,626)	31,121,103
Net loss for the period	-	-	-	-	-	(13,108,031)	(13,108,031)
Functional currency translation variance	5,060,797	79	547,827	(45,036)	-	(1,929,226)	3,634,441
Other comprehensive income:							-
Exchange differences arising on translation of foreign operations	-	-	-	(1,702,324)	-	-	(1,702,324)
Total comprehensive loss for the period	5,060,797	79	547,827	(1,747,360)	-	(15,037,257)	(11,175,914)
Transactions with owners, recorded directly in equity:							
Issue of ordinary shares	51,617,420	-	-	-	-	-	51,617,420
Share issue costs	(4,725,139)	-	-	-	-	-	(4,725,139)
Issue of ordinary shares on exercise of options	36,082,080	-	-	-	-	-	36,082,080
Issue of ordinary shares on conversion of performance shares	2,139,469	-	(409,151)	-	-	-	1,730,318
Share based payments	-	-	4,147,093	-		-	4,147,093
Balance at March 31, 2011	133,509,363	752	8,976,722	(2,132,993)	-	(31,556,883)	108,796,961

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS

	Three Months Ended March 31,		Nine Months Ended March 31,	
Canadian Dollars	**2012**	**2011**	**2012**	**2011**
Cash flows from operating activities				
Payments to suppliers and employees	**(3,450,284)**	(3,347,618)	**(14,034,521)**	(8,711,365)
Interest and other costs of finance paid	**(25,114)**	-	**(25,114)**	-
Interest received	**92,155**	169,907	**503,747**	705,102
Net cash outflow from operating activities	**(3,383,243)**	(3,177,711)	**(13,555,888)**	(8,006,263)
Cash flows from investing activities				
Payments for plant and equipment	**-**	(41,879)	**(707,660)**	(104,475)
Payments for port capacity	**(9,000,000)**	-	**(35,500,000)**	-
Payments for mine development assets	**(2,409,698)**	-	**(2,409,698)**	-
Payments for exploration and evaluation assets	**-**	-	**(6,027,187)**	(81,390,443)
Net cash outflow from investing activities	**(11,409,698)**	(41,879)	**(44,644,545)**	(81,494,918)
Cash flows from financing activities				
Proceeds from issue of shares	**12,840,585**	1,142,866	**12,840,585**	87,174,175
Payments for share issue costs	**-**	(1,434,478)	**(593,261)**	(5,094,937)
Net cash (outflow)/inflow from financing activities	**12,840,585**	(291,612)	**12,247,324**	82,079,238
Net decrease in cash and cash equivalents	**(1,952,356)**	(3,511,202)	**(45,953,109)**	(7,421,943)
Net foreign exchange differences	**267,369**	(20,487)	**200,504**	(1,031,718)
Cash and cash equivalents at beginning of period	**23,904,929**	16,354,623	**67,972,547**	21,276,595
Cash and cash equivalents at end of period	**22,219,942**	12,822,934	**22,219,942**	12,822,934

The above Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the three and nine months ended March 31, 2012 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

In addition to the Australian requirements, further information has been included in the Condensed Consolidated Financial Statements in order to comply with applicable Canadian securities law, on the basis that the Company is dual listed on the Toronto Stock Exchange.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Coalspur Mines Limited for the year ended June 30, 2011 and any public announcements made by Coalspur Mines Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year, except for the change to functional and reporting currency, as described below.

Change in Functional and presentation currency

A functional currency is assigned to each entity within the group based on the underlying transactions, events, and conditions that pertain to each entity. At the year ended June 30, 2011, the functional currencies of the various entities within the group were as follows:

Company Name	Country of Incorporation	Functional Currency
Coalspur Mines Ltd	Australia	Australian Dollars
Coalspur Mines (Holdings) Pty Ltd	Australia	Australian Dollars
Coalspur Mines (Operatons) Ltd	Canada	Canadian Dollars
Kep Pty Ltd	Australia	Australian Dollars

Following the completion of the Vista Coal Project Feasibility Study on January 30, 2012, the Company determined the functional currencies of Coalspur Mines Ltd. and Coalspur Mines (Holdings) Pty Ltd. had changed to Canadian dollars due to the following reasons:

- the majority of operating expenditures are denominated in Canadian dollars
- current and future debt and equity raisings, and future dividend stream will be in Canadian dollars.

The functional currency for Kep Pty Ltd remains as Australian dollars however, its balances are insignificant.

The Company uses a presentation currency which best reflects its primary economic environment of the group as a whole. Following the determination that the functional currencies of Coalspur Mines Ltd. and Coalspur Mines (Holdings) Pty Ltd. changed to Canadian dollars the Company adopted Canadian dollars as its presentation currency in accordance with AASB 121, The Effect of Change in Foreign Exchange Rates. All comparative information is presented in Canadian dollars.

The current and comparative figures for all years and periods have been reflected in the new presentation currency as outlined below:

- The assets, liabilities, and income balances of Coalspur Mines Ltd and Coalspur Mines (Holdings) Pty Ltd as of January 31, 2012, were translated to Canadian dollars at the February 1, 2012 exchange rate, which coincides with the date of change in the functional currency.

Since January 31, 2012 all transactions for these companies have been valued in Canadian dollars.

- The assets, liabilities and income balances of Coalspur Mines (Operations) Ltd are reflected at their original Canadian carrying value.
- For comparative purposes, historical consolidated assets and liabilities were translated to Canadian dollars at the closing exchange rate of the corresponding balance sheet date. Historical consolidated income and expenses were translated to Canadian dollars using the average exchange rate for the corresponding period.

As this is the first report presented in Canadian dollars the table below sets out the A$ equivalents for the major components of the consolidated financial statements for the balances at the nine months ended March 31, 2012 for information purposes.

	Nine months ended March 31, 2012	
Item	C$, as stated	A$, equivilant
Ending cash balance	22,220	21,450
Contributed equity	216,198	202,531
Loss for the period	(19,464)	(18,715)
Total non-current assets	142,092	137,168
Cash used in the period	(45,953)	(44,186)

NOTE 2. SEGMENT INFORMATION

The Consolidated Entity operates in one segment, being coal exploration in Canada. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

NOTE 3. REVENUE AND EXPENSES

	Three Months Ended March 31,		Nine Months Ended March 31,	
Canadian Dollars	2012	2011	2012	2011
(a) Other expenses				
Impairment losses	**-**	-	**-**	(4,761)
(b) Share-Based payments expense				
included in exploration and evaluation expenses	**545,131**	430,540	**2,030,166**	2,178,214
included in corporate and administrative expenses	**679,634**	-	**1,884,098**	1,409,445
	1,224,765	430,540	**3,914,264**	3,587,659

EXPRESSED IN CANADIAN DOLLARS

NOTE 4. EXPLORATION, EVALUATION, AND MINE DEVELOPMENT ASSETS

Canadian Dollars	Nine Months Ended March 31 2012	Year Ended June 30 2011
(a) Movement in exploration and evaluation assets		
Carrying amount at beginning of period	**97,386,100**	15,176,461
Acquisitions of mineral rights during period	**27,187**	86,195,110
Reclassified to mine development assets	**(96,903,993)**	-
Exchange differences on translation of foreign operations	**-**	(4,126,927)
Carrying amount at end of period	**509,294**	97,244,644
(b) Movement in mine development assets		
Carrying amount at beginning of period	**-**	-
Mine development expenditures during the period	**8,409,698**	-
Reclassified from exploration and evaluation assets	**96,903,993**	-
Carrying amount at end of period	**105,313,691**	-

Following the completion of a Feasibility Study on January 30, 2012, the Company transferred amounts associated with the Vista Coal Project area from exploration and evaluation assets to mine development assets.

Mine development expenditures directly related to the Vista Coal Project were capitalized subsequent to the completion of the Feasibility Study. During the period the Company paid scheduled $6.0 million to acquire mineral leases. Project costs of $2.4 million were capitalized during February and March.

NOTE 5. AGREEMENTS WITH RIDLEY TERMINALS INC

The Company has two contracts with Ridley Terminals to provide up to 13.5Mtpa capacity with first shipments commencing January 1, 2015.

Summary of Agreements with Ridley Terminals

Description	First Contract	Option # 1	Second Contract	Option # 2	Total	Note
Dates and duration						
Date of Contract	26-Oct-11	26-Oct-11	28-Mar-12	27-Mar-12		
Cancellation / Exercise date	1-Mar-13	30-Jun-12	1-Sep-12	1-May-13		5(a)
Shipping commencement date	2015	2018	2017	2018		
Contract term	14 years	11 years	12 years	11 years		
Option contract renewal term	7 years	7 years	7 years	7 years		
Contract capacity (millions Mtpa)	6.0	2.5	4.0	1.0	13.5	
Prepayments (C$ millions)						
Deposit paid	$ 24.0		$ 8.0		$ 32.0	5(b)
Option fee paid		$ 2.5		$ 1.0	$ 3.5	5(c)
Total paid to date	$ 24.0	$ 2.5	$ 8.0	$ 1.0	$ 35.5	
Anticipated future deposits		$ 10.0	$ 8.0	$ 4.0	$ 22.0	5(b)
Anticipated total pre-payments	$ 24.0	$ 12.5	$ 16.0	$ 5.0	$ 57.5	

(a) Contract cancellation / exercise date

Coalspur may cancel the first contract on or before March 1, 2013, without further obligation, other than foregoing the deposits and option fees already paid to Ridley Terminals. Management believes the Company is unlikely to cancel the first contract because the throughput allocation may be sold to a third party under certain circumstances.

4.0Mtpa capacity associated with the second agreement will be provided from an incremental expansion at Ridley Terminals that will increase overall port capacity from 25.0Mtpa to 30.0Mtpa. In the event requisite Government approvals for this expansion are not received by September 1, 2012, the deposits associated with 4.0 Mtpa capacity from the second contract are refundable to Coalspur.

In addition to the cancellation terms noted above, Ridley Terminals has a right to terminate either contract if, after a 30 business day cure period the Company's debt to EBITDA ratio exceeds 5:1 after it has shipped 10 million tonnes under the respective contract.

Coalspur paid a total of $3.5 million for two options to acquire an additional 3.5Mtpa capacity, starting in 2018. The Company plans to exercise these options before their respective expiry dates of June 30, 2012, and May 1, 2013. Additional deposits totalling $14.0 million are required to exercise the options.

EXPRESSED IN CANADIAN DOLLARS

(b) Deposits

All throughput capacity is subject to non-refundable deposits of $4 per tonne multiplied by annual contract capacity, which will be offset against future throughput, or minimum throughput charges. The deposit of $24.0 million against the first agreement is paid in full, and an initial deposit of $8.0 million has been made against the second agreement. Further deposits of $8.0 million must be made against the second contract, and additional deposits of $14.0 million will be made if the Company exercises its option to acquire additional throughput capacity as planned.

Deposits are classified as non-current prepaid assets, and will be amortized as they are offset against future throughput charges.

(c) Option fees

The Company paid $3.5 million, for two options to purchase additional throughput capacity totalling 3.5Mtpa commencing in 2018. The first option for 2.5 Mtpa expires June 30, 2012, and the second option for 1.0Mtpa expires May 1, 2013. Option fees are classified as non-current intangible assets, and will either be expensed upon their expiration, or amortized over the first term of the contract if exercised.

(d) Minimum throughput charges

Both agreements are subject to minimum throughput charges based on a percentage of contracted volumes and throughput rates. In the event the contracts are not cancelled, and Coalspur is unable to meet specified minimum throughput commitments, minimum payments to Ridley Terminals may become payable. Management believes it is unlikely future minimum payments will be incurred because throughput allocation may be sold to a third party under certain circumstances.

NOTE 6. CONTRIBUTED EQUITY

	Nine Months Ended March 31, 2012		Year Ended June 30, 2011	
	Volume	C$	Volume	C$
(a) Issued capital				
Fully paid ordinary shares	**620,729,899**	**$ 216,197,055**	362,499,962	$ 195,544,433
D class performance shares	**-**	**-**	25,000,000	-
E class performance shares	**25,000,000**	**-**	25,000,000	-
Performance shares	**7,500,000**	**798**	7,500,000	776
	653,229,899	**$ 216,197,853**	419,999,962	$ 195,545,209

EXPRESSED IN CANADIAN DOLLARS

(b) Movements in ordinary share capital during the past nine months were as follows:

Date	Details	Number of Shares		Average Issue Price C$	Total C$
July 1, 2011	**Opening Balance**	**579,768,744**	**$**	**0.34**	**195,544,433**
	Functional currency translation variance	-	$	-	5,471,821
	Exercise of unlisted options	15,070,000	$	0.90	13,559,257
	Conversion of share rights	891,155	$	1.86	1,655,207
	Conversion of Class D performance shares	25,000,000	$	-	-
	Share issue costs	-	$	-	(33,663)
March 31, 2012	**Closing Balance**	**620,729,899**	**$**	**0.35**	**216,197,055**

NOTE 7. SHARE BASED PAYMENT RESERVE

Movements of Unlisted Options and Performance Rights during the past nine months were as follows:

Date	Details	Number of Performance Rights	Number of Unlisted Options	Share Based Payment Reserve C$
July 1, 2011	**Opening Balance**	**-**	**50,995,000**	**9,846,656**
Net movement for period - LTIP	Issued to employees and directors under the Share Rights Plan	3,614,780	-	-
	Exercised on milestone date - Jan 30, 2012	(891,155)	-	(1,655,207)
Net movement for the period - unlisted options	Exercised on Feb 1, 2012	-	(15,000,000)	(691,301)
Net movement for period - share based payments	Share based payment expense	-	-	3,914,263
March 31, 2012	**Closing Balance**	**2,723,625**	**35,995,000**	**11,414,411**

NOTE 8. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the period.

NOTE 9. CONTINGENT LIABILITIES

The Company holds a beneficial interest in five coal leases that are an integral part of Vista. In accordance with the terms of the agreement with the vendor of these leases, initial payments of $2.0 million and $6.0 million have been made, and title to the leases will pass to Coalspur Mines (Operations) Ltd. upon the payment of an additional $10.0 million upon the earlier of reaching an average production rate of 90,000 tonnes of coal per month from Vista over a three month period or February 19, 2016.

As part of the contracts described in Note 5, the Company is required to make minimum throughput payments to Ridley Terminals beginning in 2017. These future payments will not be recognized as a liability unless it becomes probable that the company will not meet its throughput obligations under the contract.

NOTE 10. SUBSEQUENT EVENTS AFTER BALANCE DATE

The following significant events occurred after balance date:

On April 26, 2012, shareholders approved the granting of security and issue of 15,000,000 options to purchase ordinary shares to the Highland Park Group in relation to the $70 million credit facility which the Company finalized in February 2012.

On April 27, 2012 the Company paid $13 million cash to acquire 14,432 hectares of coal bearing leases located adjacent to the northeast boundary of Vista, and are in a land use area classified as category four which is the most favourable for resource development in Alberta.

Other than as disclosed above, there were no significant events occurring after balance date requiring disclosure.

APPENDIX A

Form 52-109F2 – Certification of Interim Filings (Full Certificate)

I, Eugene Wusaty, Chief Executive Officer of Coalspur Mines Limited, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Coalspur Mines Limited (the "issuer") for the interim period ended March 31, 2012.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organisations of the US Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2012 and ended on March 31, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: May 15, 2012

Eugene Wusaty
Chief Executive Officer

APPENDIX A

Form 52-109F2 – Certification of Interim Filings (Full Certificate)

I, Jay Bell, VP Finance and Acting Chief Financial Officer of Coalspur Mines Limited, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Coalspur Mines Limited (the "issuer") for the interim period ended March 31, 2012.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

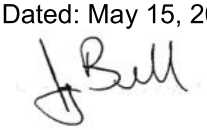
5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organisations of the US Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2012 and ended on March 31, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: May 15, 2012



Jay Bell
VP Finance and Acting Chief Financial Officer