COALSPUR MINES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND MD&A FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

ABN 73 003 041 59

CORPORATE DIRECTORY

DIRECTORS:

Mr. Colin Steyn	Chairman (non-executive)
Ms. Gill Winckler	President and CEO
Mr. Denis Turcotte	Director (non-executive)
Mr. Peter Breese	Director (non-executive)
Mr. David Murray	Director (non-executive)
Mr. Ted Mayers	Director (non-executive)
Mr. Mark Rodda	Director (non-executive)
Mr. William Smart	Alternate Director (non-executive)

COMPANY SECRETARY:

Mr. Simon Robertson

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TSX Code: CPT – fully paid ordinary shares

Australia:
ASX Code: CPL – fully paid ordinary shares

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Blake, Cassels & Graydon LLP

Australia:
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Deloitte Touche Tohmatsu

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INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the three months ended September 30, 2012, (the "**Financial Statements**") which are unaudited, the 2012 Annual Audited Consolidated Financial Statements, and the 2012 Annual MD&A. The effective date of this report is November 12, 2012.

This discussion is current at the date of this MD&A. The 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.

All scientific and technical information referred to in the MD&A is based on technical reports prepared in accordance with Canadian National Instrument 43-101 guidance and Australian JORC code.

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

This MD&A contains forward-looking statements concerning Coalspur Mines Limited, including statements regarding the Company's plans for its mineral projects, its 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 mineralisation 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", "future", "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 AIF under the heading "Description of the Business - Risk Factors", and elsewhere.

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. In making the forward-looking statements the Company has applied several material assumptions 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.

Coalspur disclaims any intention or obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

For a more detailed analysis of risks affecting the Company, please see the Risk Factors discussion in the Description of the Business section of the Company's Annual Information form, available from SEDAR at www.sedar.com

OVERVIEW

Coalspur is a coal exploration and development company with 1.7 billion tonnes ("**Bt**") of Measured and Indicated Coal Resources. Coalspur's flagship 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 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 Vista infrastructure.

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 three months of the year by updating its coal transportation arrangements, advancing detailed engineering on Vista, and completing a scoping study on Vista Extension.

Total cash increased $5.8 million from $7.0 million at June 30, 2012, to $12.8 million at September 30, 2012 as a result of a $10 million drawdown of the credit facility and a $3.2 million refund from Ridley Terminals Inc. ("**Ridley Terminals**"). The increases to cash were partially off-set by continued development expenditures associated with Vista as well as regular operating expenditures during the quarter. In comparison, the Company's net cash decreased $3.1 million during the three months ended September 30, 2011. As at the date of this report, the Company has $40 million available to draw under its credit facility. Significant events during the quarter include:

- Gill Winckler was appointed President and CEO on July 1, 2012.
- The Company completed a Scoping Study on Vista Extension during July 2012 that confirmed the potential for an economic and technically feasible underground mine that could benefit from the planned coal processing and handling infrastructure at Vista. The Scoping Study defined a longwall mine with average production of marketable coal of 3.8 million tonnes per annum ("**Mtpa**") over a 28 year mine life.
- The Company finalised agreements with Ridley Terminals during August 2012 to secure 11.7 Mtpa of port throughput capacity, which substantially satisfies the port requirements for anticipated Vista production. The Company previously had an agreement to obtain an additional 4.0 Mtpa of capacity from a future port expansion from 25 Mtpa to 30 Mtpa, contingent upon Ridley Terminals receiving approval for expansion. In August 2012, Ridley Terminals advised that it had not received approval for the expansion, and in lieu, agreed to provide Coalspur with 2.2 Mtpa of capacity from its current expansion infrastructure. Coalspur received a refund of $3.2 million during August 2012 as a result of the change.
- Coalspur expanded a memorandum of understanding ("**MOU**") with CN Rail in August 2012 from 11.2 Mtpa to 12.0 Mtpa to accommodate the optimised production profile on Vista. Coalspur is currently advancing discussions with CN Rail to formulate the MOU into a definitive agreement.
- The Company continued to develop Vista by progressing detailed engineering work, procurement plans, and structural geology information required to construct mining facilities
- Subsequent to September 30, 2012, the Company announced the results of an optimisation study on Vista which resulted in a decrease in the capital required to bring Vista into production. Further details of the optimisation study can be found in the Coalspur news release dated 26 October 2012.

The Company's net loss for the three months ended September 30, 2012 was $3.8 million, versus $4.2 million for the three months ended September 30, 2011. Cash expenditures were significantly higher during 2012, however these were offset by the capitalisation of $4.8 million worth of mine development expenditures. The Company does not anticipate any significant revenue until Vista begins production in 2015.

Further financing is required for Coalspur to achieve its objective of becoming a significant coal producer in the short to medium term. The Company is continuing a process to secure funding for Phase 1 of Vista, however uncertain global markets and weak short-term coal prices have resulted in this process taking longer than anticipated. The spot price of Newcastle thermal coal decreased from approximately US$124 during January to US$84 in November 2012, which management believes has affected the Company's share price. The future price for Newcastle thermal coal in 2015, the initial production year for Vista, is currently US$106 per tonne.

DISCUSSION OF OPERATIONS

Vista Coal Project

The Company made considerable progress on Vista during the quarter ended September 30, 2012 by advancing its technical understanding of the project area, updating logistics arrangements, and by progressing regulatory applications. Coalspur plans to begin construction on Vista during the first half of calendar 2013 subject to securing project financing and regulatory approvals.

Exploration, evaluation, and development expenditures on Vista totalled $5.7 million during the quarter ended September 30, 2012, of which $4.8 million was capitalised as mine development assets. In comparison, Vista expenditures totalled $4.0 million for the three months ended September 30, 2011.

Coalspur completed an optimisation study during the quarter which substantially reduced the capital required to reach first production at Vista. The study focused on the mining schedule, the timing of equipment purchases, and a staged approach to construct the processing and clean coal facilities to better align with the production ramp up at Vista, thereby deferring $343 million of initial construction capital until after production commences. The staged approach is essentially a development scheduling change and ensures that there is no impact on the regulatory applications that were filed earlier this year and that the timeline to first production remains intact. For further information, please refer to the announcement dated October 26, 2012.

The Company also completed a scoping study on Vista Extension, which confirmed the potential for an economic and technically feasible underground longwall mine. Vista Extension has the benefit of being in close proximity to Vista and will be able to leverage off the coal mining, handling and processing infrastructure to be constructed as well as the rail and port capacity that has been secured. For further information, please refer to the announcement dated July 30, 2012.

During the previous year, the Company entered into an agreement with Ridley Terminals to provide 4.0 Mtpa of port capacity from a future port expansion from 25.0 Mtpa to 30.0 Mtpa, contingent upon Ridley Terminals receiving approval for expansion. During the quarter ended September 30, 2012 Ridley Terminals advised that it had not received approval for the expansion, and in lieu, agreed to provide Coalspur with 2.2 Mtpa of capacity from its current expansion infrastructure. Coalspur received a refund of $3.2 million as a result of the change. The Company has secured a total of 11.7 Mtpa of port capacity at Ridley Terminals which substantially satisfies the port requirements for anticipated Vista production. This capacity will be provided from the expansion of Ridley Terminals which is currently under construction, and on schedule for completion by the end of 2014. Additional details of the Company's port agreements are disclosed in Note 5 to the Financial Statements.

Coalspur updated its memorandum of understanding with CN Rail to increase Coalspur's allocated rail haulage from 11.2 Mtpa to 12.0 Mtpa in order to accommodate the optimised production profile on Vista. Coalspur and CN continue to work towards definitive transportation and infrastructure agreements which are expected to be concluded in 2012.

Regulatory bodies continued their review of Coalspur's Environmental Impact Assessment and Mine License applications, and the Company made substantial progress with respect to aboriginal consultation and other stakeholder engagement.

Vista South Coal Project

The 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 substantial coal resource, which could provide significant value by leveraging off the planned infrastructure at Vista, providing for mine expansion or an extension of the project life. The Company is currently focusing all of its development effort on Vista, and did not incur any exploration or evaluation expenditures on Vista South during the quarter. Expenditures totalled less than $0.1 million for the three months ended September 30, 2011.

Coal Reserves and Resources

The Coal Reserve and Coal Resource estimates on Vista, Vista South, and Vista Extension have been prepared by independent experts and are in accordance with the JORC Code (2004) and National Instrument 43-101.

Table 1: 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	210.6	259.9	**470.5**	604.5
Vista Extension	6.5	167.2	**173.7**	969.3
Coalspur Total Resources	**903.1**	**797.0**	**1,700.1**	**2,034.7**

Note: Vista Coal Project and Vista Extension Coal Resource estimates are effective May 8, 2012, Vista South Coal Project Coal Resource estimates are effective May 22, 2012.

Table 2: Vista Coal Project JORC / NI 43-101 Compliant Coal Reserves

	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**
Vista Total Reserves	**503.7**	**61.8**	**565.5**	**280.0**	**33.3**	**313.4**

Note: Coal Reserve estimates effective December 13, 2011.

Corporate and Administration

Corporate and administrative expenses for the quarter ended September 30, 2012 totalled $2.7 million, which is approximately double that for the same period during the previous year due to increased effort spent evaluating potential investment partners, a greater number of employees and directors, and increased office space.

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)	25,000,000
Outstanding unlisted performance share rights (note 2)	3,150,701
Outstanding unlisted options (note 3)	50,925,000
Total	699,805,600

Notes

(1) Unlisted performance shares were issued to acquire mineral projects and are convertible into ordinary shares upon the satisfaction of certain milestones. 7,500,000 performance shares associated with the Lake Way East uranium project expired on November 2, 2012. See Note 10 to the attached Financial Statements for more information.

(2) Unlisted performance share rights are issued pursuant to the Company's Performance Rights Plans to attract and retain directors, employees, and key contractors, and vest upon satisfaction of certain milestones.

(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, 46,925,000 unlisted options were exercisable.

Coalspur's current market capitalisation is approximately A$537 million based on the November 12, 2012 ASX closing price of A$0.87 (approximately A$590 million calculated on a diluted basis including all ordinary shares, performance rights, and in-the-money options).

Summary of Quarterly Results

($000s, except where noted) *Canadian Dollars*	Quarter Ended (Unaudited) 30-Sep 2012	30-Jun 2012	31-Mar 2012	31-Dec 2011 (Restated)	30-Sep 2011 (Restated)	30-Jun 2011 (Restated)	31-Mar 2011 (Restated)	31-Dec 2010 (Restated)
Measured and Indicated Coal Resources (millions of tonnes)	1,700	1,700	1,079	1,079	1,079	1,079	1,014	1,014
Proven and Probable Marketable Coal Reserves (millions of tonnes)	313	313	313	313	260	260	260	-
Presentation Currency (Note 1 to the Annual Financial Statements)	$	$	$	A$	A$	A$	A$	A$
Loss for the period	(3,774)	(2,810)	(5,541)	(9,564)	(4,210)	(3,882)	(3,708)	(4,168)
Loss per share (cents per share)	(0.61)	(0.45)	(0.80)	(1.58)	(0.73)	(0.74)	(0.76)	(0.84)
Cash and cash equivalents	12,754	6,988	22,220	23,905	64,334	67,973	12,793	16,579
Exploration and evaluation assets	13,509	13,509	509	99,881	93,853	93,853	93,847	93,847
Mine development assets	114,585	109,726	105,314	-	-	-	-	-
Non-current prepayments	42,800	46,000	32,000	-	-	-	-	-
Intangible assets	3,500	3,500	-	-	-	-	-	-
Other assets	4,308	5,218	-	-	-	-	-	-
Total assets	193,143	186,195	165,102	154,973	161,174	165,576	110,592	114,191
Current liabilities	2,465	2,297	4,220	2,769	2,411	2,188	1,795	3,003
Long term liabilities	30,000	20,000	-	-	-	-	-	-
Total liabilities	32,465	22,297	4,220	2,769	2,411	2,188	1,795	3,003
Net assets	160,678	163,898	160,882	152,204	158,763	163,388	108,797	111,188

Notes:

(1) The presentation currency of the Company changed from Australian to Canadian dollars on February 1, 2012.

Total assets have increased over the last eight quarters as a result of the Company's acquisition of mineral properties and payments to Ridley Terminals to secure port capacity. Net assets showed a steady increase as capital was provided through contributions of equity until the Company started drawing on its $70 million credit facility in May 2012.

Subsequent to the January 2012 completion of a Feasibility Study on Vista, the Company reclassified $97 million worth of exploration and evaluation assets to development assets, and commenced capitalising direct development costs associated with Vista in anticipation of developing the project into a producing mine. Refer to Note 1 of the 2012 Annual Audited Consolidated Financial Statements for more information.

Financial Condition and Liquidity

The Company's cash balance increased $5.8 million in the first three months of year as a result of a $10 million drawdown on its credit facility and a refund of $3.2 million from Ridley Terminals. These cash inflows were partially off-set by Vista expenditures of $4.8 million and a net loss of $3.7 million.

The Company does not anticipate any significant revenue until 2015, which coincides with planned initial production from Vista. 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 funding to develop Vista into a revenue generating mine. The Company completed an optimisation study during the most recent quarter which estimates that an additional $527 million in capital funding will be 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.

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 2012; however, the structure of any transaction and/or funding arrangement is yet to be determined. The credit facility provides flexibility for a strategic investor to acquire up to 25% of Vista, however, if the Company were to enter an arrangement for more than 25% of Vista, it would be trigger the immediate repayment of all amounts owing under the credit facility.

At the date of this MD&A, the Company has cash and cash equivalents of $9.9 million which is substantially invested with major Canadian and Australian banks in cashable term deposits. The Company has available credit of $40 million on its credit facility after drawing $10 million during September 2012.

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

Commitments and planned payments

($000s) ***Canadian Dollars***	**Total (up to 5 years)**	**Less than 1 year**	**1-3 years**	**4-5 years**	***After 5 years (per year)***
Credit Facility (note 1)	30,000	-	30,000	-	-
Credit Facility interest (note 2)	4,922	1,875	3,047	-	-
Operating Leases	917	287	605	25	-
Mineral and surface leases	1,146	191	573	382	191
Mineral lease acquisitions (note 3)	10,000	-	-	10,000	-
Minimum port payments (note 4)	7,600	-	-	7,600	12,100
Total commitments and contracted payments	**54,585**	**2,353**	**34,225**	**18,007**	**12,291**

Notes:

1) All principle drawn under the credit facility must be repaid by May 16, 2014.
2) Interest on the credit facility is payable semi-annually, at a rate of 6.25%.
3) 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, and title to these leases will transfer to Coalspur upon the payment of an additional $10 million which must be made by February 19, 2016.
4) The Company is party to agreements with Ridley Terminals with cancellation and option dates ranging between March 1 and May 1, 2013, as disclosed in Note 5 to the attached Financial Statements. Coalspur is subject to minimum throughput payments of $7.6 million within the next five years, however the Company has not recognised these as contingent liabilities because it will either utilise the throughput capacity or sell it to other parties.

TRANSACTIONS WITH RELATED PARTIES

In February 2012, the Company entered into a $70 million credit facility agreement to fund Vista development 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, issued eight million facility options and seven million funding options to purchase ordinary shares. Shareholder approval for this transaction was obtained on April 26, 2012.

During the quarter ended September 30, 2012, Coalspur paid $157,534 in interest to Highland Park, and drew an additional $10 million on the facility, bringing the total principal amount owing to $30 million as of the date of this MD&A. As a result of the $10 million draw, one million funding options vested with an exercise price of A$1.248 per share, an expiry date of September 14, 2015, and an estimated fair market value of $0.26 each.

All related party transactions are measured at cost or estimated fair market value in the event cost is not determinable.

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 2012 Annual Audited Consolidated Financial Statements. At present, the Company has no accounting estimates that rely on highly uncertain assumptions that are likely to change in the future. The Company changed its presentation from Australian to Canadian dollars in February 2012, as described in Note 1 to the Annual Audited Consolidated financial statements, which are available on SEDAR at www.sedar.com.

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 September 30, 2012 that materially affect, or are reasonably likely to materially affect, internal control over financial reporting.

Regulatory Disclosures

For further information regarding the Vista Coal Project 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. For further information regarding the 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 project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports are compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("**NI 43-101**") and the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**") and are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements

The information in this report that relates to coal quality and process yield estimates to derive Marketable Coal Reserves, coal processing, thermal drying, infrastructure, and associated capital and operating costs is based on information compiled by Mr. Gordon Mudryk, who is a Member of the Association of Professional Engineers and Geoscientists 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 report that relates to Coal Resources is based on information compiled by Mr. John Innis, who is a Member of the Association of Professional Engineers and Geoscientists 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 report is based on information compiled by Mr. David Leslie, who is a Member of the Association of Professional Engineers and Geoscientists 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 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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Note	Three Months Ended September 30 2012	Three Months Ended September 30 2011
Continuing operations			
Exploration and evaluation expenses	3(c)	**(1,049,619)**	(4,180,140)
Corporate and administrative expenses	3(c)	**(2,718,402)**	(1,339,735)
Other income	3(a)	**20,461**	77,708
Other gains and losses	3(b)	**(26,553)**	1,228,709
Loss before income tax		**(3,774,113)**	(4,213,458)
Income tax recovery		**-**	-
Loss for the period		**(3,774,113)**	(4,213,458)
Loss attributable to members of Coalspur Mines Limited		**(3,774,113)**	(4,213,458)
Other comprehensive income			
Exchange differences on translation of foreign operations		**-**	2,137,494
Other comprehensive income for the period, net of tax		**-**	2,137,494
Total comprehensive loss for the period		**(3,774,113)**	(2,075,964)
Total comprehensive loss attributable to members of Coalspur Mines Limited		**(3,774,113)**	(2,075,964)
Basic and diluted loss per share (cents per share)		**(0.61)**	(0.73)

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Note	September 30 2012	June 30 2012
ASSETS			
Current Assets			
Cash and cash equivalents		**12,754,240**	6,988,330
Trade and other receivables		**789,539**	399,879
Prepayments		**81,858**	81,359
Total Current Assets		**13,625,637**	7,469,568
Non-current Assets			
Property, plant and equipment		**814,085**	771,780
Exploration and evaluation assets	4	**13,509,295**	13,509,295
Mine development assets	4	**114,585,493**	109,726,335
Prepayments	5	**42,800,000**	46,000,000
Intangible assets	5	**3,500,000**	3,500,000
Other assets	6	**4,308,440**	5,218,395
Total Non-current Assets		**179,517,313**	178,725,805
TOTAL ASSETS		**193,142,950**	186,195,373
LIABILITIES			
Current Liabilities			
Trade and other payables		**2,424,693**	2,239,177
Provisions		**40,398**	58,159
Total Current Liabilities		**2,465,091**	2,297,336
Long term Liabilities			
Credit facility		**30,000,000**	20,000,000
Total Long Term Liabilities		**30,000,000**	20,000,000
TOTAL LIABILITIES		**32,465,091**	22,297,336
NET ASSETS		**160,677,859**	163,898,037
EQUITY			
Contributed equity	7	**216,197,853**	216,197,853
Share based payment reserve	8	**17,794,868**	17,240,933
Foreign currency translation reserve		**(12,401,553)**	(12,401,553)
Accumulated losses		**(60,913,309)**	(57,139,196)
TOTAL EQUITY		**160,677,859**	163,898,037

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXPRESSED IN CANADIAN DOLLARS

For the Three Months Ended September 30, 2012 (Unaudited) Canadian Dollars	Ordinary Shares	Performance Shares	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Balance at July 1, 2012	**216,197,056**	**797**	**17,240,933**	**(12,401,553)**	**(57,139,196)**	**163,898,037**
Net loss for the period	**-**	**-**	**-**	**-**	**(3,774,113)**	**(3,774,113)**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(3,774,113)**	**(3,774,113)**
Transactions with owners, recorded directly in equity:						
Share based payments	**-**	**-**	**553,935**	**-**	**-**	**553,935**
Balance Septemer 30, 2012	**216,197,056**	**797**	**17,794,868**	**(12,401,553)**	**(60,913,309)**	**160,677,859**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2011
EXPRESSED IN CANADIAN DOLLARS

For the Three Months Ended September 30, 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, 2011	195,544,433	776	9,578,626	(6,870,060)	-	(34,865,441)	163,388,334
Net loss for the period	-	-	-	-	-	(4,213,458)	(4,213,458)
Other comprehensive income:							-
Exchange differences arising on translation of foreign operations	-	-	-	2,137,494	-	-	2,137,494
Total comprehensive loss for the period	-	-	-	2,137,494	-	(4,213,458)	(2,075,964)
Transactions with owners, recorded directly in equity:							
Share issue costs	(31,928)	-	-	-	-	-	(31,928)
Share based payments	-	-	1,161,348	-		-	1,161,348
Balance at September 30, 2011	195,512,505	776	10,739,974	(4,732,566)	-	(39,078,899)	162,441,790

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Three Months Ended September 30 2012	 2011
Cash flows from operating activities		
Payments to suppliers and employees	**(3,158,856)**	(3,436,985)
Interest received	**17,520**	107,400
Rental income	**7,280**	-
Interest and other costs of finance paid	**(157,534)**	-
Net cash outflow from operating activities	**(3,291,590)**	(3,329,585)
Cash flows from investing activities		
Payments for plant and equipment	**(54,184)**	(322,622)
Payments for mine development assets	**(4,086,402)**	-
Refund received for port capacity (Note 5(b))	**3,200,000**	-
Net cash outflow from investing activities	**(940,586)**	(322,622)
Cash flows from financing activities		
Payments for share issue costs	**-**	(595,722)
Proceeds from borrowings	**10,000,000**	-
Net cash inflow/(outflow) from financing activities	**10,000,000**	(595,722)
Net decrease in cash and cash equivalents	**5,767,824**	(4,247,929)
Net foreign exchange differences	**(1,914)**	1,143,722
Cash and cash equivalents at beginning of period	**6,988,330**	66,426,627
Cash and cash equivalents at end of period	**12,754,240**	63,322,420

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

EXPRESSED IN CANADIAN DOLLARS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose interim financial report for the three months ended September 30, 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 Interim 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 that are 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, 2012 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 June 30, 2012 Annual Audited Consolidated Financial Statements.

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 September 30	
Canadian Dollars	**2012**	**2011**
(a) Other Income		
Interest income	**13,181**	77,708
Rental income	**7,280**	-
	20,461	77,708
(b) Other gains and losses		
Net foreign exchange (loss) gain	**(26,553)**	1,228,709
(c) Share-Based payments expense		
Included in exploration and evaluation expenses	**147,190**	684,141
Included in corporate and administrative expenses	**543,945**	498,388
	691,135	1,182,529

EXPRESSED IN CANADIAN DOLLARS

NOTE 4. EXPLORATION, EVALUATION, AND MINE DEVELOPMENT ASSETS

Canadian Dollars	Three Months Ended September 30 2012	Year Ended June 30 2012
(a) Movement in exploration and evaluation assets		
Carrying amount at beginning of period	**13,509,295**	97,244,645
Acquisitions of mineral rights during period	**-**	13,000,000
Reclassified to mine development assets	**-**	(96,903,992)
Exchange differences on translation of foreign operations	**-**	168,642
Carrying amount at end of period	**13,509,295**	13,509,295
(b) Movement in mine development assets		
Vista Project		
Carrying amount at beginning of period	**109,726,335**	-
Reclassified from exploration and evaluation assets	**-**	96,903,992
Acquisition of mineral lease property	**-**	6,000,000
Capitalized development costs	**4,237,373**	6,355,104
Capitalized finance costs (1)	**621,785**	467,239
Carrying amount at end of period	**114,585,493**	109,726,335

(1) The Company arranged a $70 million credit facility to advance the development of Vista. The finance costs associated with the assets under development are recorded as other assets and amortised to Mine Development Assets over the life of the credit facility.

NOTE 5. AGREEMENTS WITH RIDLEY TERMINALS

The Company has two contracts with Ridley Terminals to provide up to 11.7 Mtpa of capacity with first shipments commencing January 1, 2015.

Summary of Agreements with Ridley Terminals

	First Contract					
Description	**Base Volume**	**Additional Volume**	**Optional Volume**	**Second Contract**	**Total**	**Note**
Dates and duration						
Date of Contract	26-Oct-11	26-Oct-11	27-Mar-12	27-Aug-12		
Cancellation / Exercise date	1-Mar-13	1-Mar-13	1-May-13			*5(a)*
Shipping commencement date	2015	2018	2018	2017		
Contract term	14 years	11 years	11 years	12 years		
Option contract renewal term	7 years	7 years	7 years	7 years		
Contract capacity (millions Mtpa)	6.0	2.5	1.0	2.2	11.7	
Prepayments ($ millions)						
Deposit paid	$ 24.0	$ 10.0	$ -	$ 8.8	$ 42.8	*5(b)*
Option fee paid	$ -	$ 2.5	$ 1.0	$ -	$ 3.5	*5(c)*
Total paid to date	$ 24.0	$ 12.5	$ 1.0	$ 8.8	$ 46.3	
Anticipated future deposits	$ -	$ -	$ 4.0	$ -	$ 4.0	*5(b)*
Anticipated total pre-payments	$ 24.0	$ 12.5	$ 5.0	$ 8.8	$ 50.3	

(a) Contract cancellation / exercise date

Coalspur may opt out of the first contract or the optional capacity prior to the date indicated in the table above without further obligation, other than foregoing the deposits and option fees already paid to Ridley Terminals.

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 contracts.

(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 deposits of $34.0 million against the first agreement and $8.8 million against the second agreement have been paid in full. A further deposit of $4.0 million against the optional volume is expected to be paid in May 2013.

EXPRESSED IN CANADIAN DOLLARS

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

(c) Option fees

The Company has an option to purchase optional volume which must be exercised on or before May 1, 2013. Option fees are classified as non-current intangible assets, and will either be expensed upon their expiration, or amortised 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. If Coalspur is unable to meet specified minimum throughput commitments, minimum payments to Ridley Terminals may become payable. Management believes it is unlikely to incur minimum payments related to unutilised allocation because throughput allocation surplus, to the extent there is any, may be sold to a third party under certain circumstances.

NOTE 6. OTHER ASSETS

	Three Months Ended September 30, 2012 C$	Year Ended June 30, 2012 C$
Deferred credit facility share-based payments	**$ 5,218,395**	$ 5,685,634
Capitalized to Mine Development Assets	**(909,955)**	(467,239)
	$ 4,308,440	$ 5,218,395

NOTE 7. CONTRIBUTED EQUITY

	Three Months Ended September 30, 2012		Year Ended June 30, 2012	
	Volume	C$	Volume	C$
(a) Issued capital				
Fully paid ordinary shares	**620,729,899**	**$ 216,197,056**	620,729,899	$ 216,197,056
Performance shares (1)	**7,500,000**	**797**	7,500,000	797
	628,229,899	**$ 216,197,853**	628,229,899	$ 216,197,853

1) The 7,500,000 performance shares expired on November 2, 2012. See Note 11 for more information.

EXPRESSED IN CANADIAN DOLLARS

(b) There were no movements in ordinary share capital during the past three months.

Date	Details	Number of Shares		Average Issue Price C$	Total C$
July 1, 2012	**Opening Balance**	**620,729,899**	**$**	**0.35**	**216,197,056**
	Exercise of unlisted options	-	$	-	-
	Conversion of share rights	-	$	-	-
	Conversion of performance shares	-	$	-	-
	Share issue costs	-	$	-	-
September 30, 2012	**Closing Balance**	**620,729,899**	**$**	**0.35**	**216,197,056**

NOTE 8. SHARE BASED PAYMENT RESERVE

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

Date	Details	Number of Performance Rights	Number of Unlisted Options	Share Based Payment Reserve C$
July 1, 2012	**Opening Balance**	**2,115,195**	**50,925,000**	**17,240,933**
Net movement for period - LTIP	Issued to employees and directors under the Share Rights Plan (1)	1,115,225	-	
Net movement for period - share based payments	Share based payment expense	-	-	553,935
September 30, 2012	**Closing Balance**	**3,230,420**	**50,925,000**	**17,794,868**

1) The milestone dates on performance rights for all tranches currently on issue to employees, contractors and directors were extended to be the expiry date.

NOTE 9. DIVIDENDS PAID OR PROVIDED FOR

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

NOTE 10. 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 recognised as a liability unless it becomes probable that the Company will not meet its throughput obligations under the contract.

NOTE 11. RELATED PARTY TRANSACTIONS

During the quarter, the Company drew an additional $10 million on its credit facility bringing the total principal amount owing to Highland Park to $30 million. Upon withdrawal, one million funding options vested with an exercise price of A$1.248 per share and an estimated fair value $256,700.

NOTE 12. SUBSEQUENT EVENTS AFTER BALANCE DATE

The following significant events occurred after balance date:

- Subsequent to quarter end, the Company completed an optimisation study on Vista which minimised the capital required to achieve initial production on Vista. The study determined that 39% of the previously estimated C$870 Phase One capital costs could be deferred until after first production.
- 5,000,000 Performance Shares lapsed because the Company did not determine there is an Indicated Mineral Resource of at least 1,000 tonnes of U_3O_8 uranium on the Lake Way East Project in Western Australia prior to the expiry date of November 2, 2012.
- 2,500,000 Performance Shares lapsed because the Company did not decide to proceed with a Feasibility Study for an Indicated Mineral Resource on the Lake Way East Project in Western Australia prior to the expiry date of November 2, 2012.

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

APPENDIX A

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

I, Gill Winckler, Chief Executive Officer of Coalspur Mines Limited, certify the following:

1. **Review:** I have reviewed the condensed interim consolidated financial statements and interim MD&A (together, the "interim filings") of Coalspur Mines Limited (the "issuer") for the interim period ended September 30, 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, summarised 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 July 1, 2012 and ended on September 30, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: November 12, 2012

Gill Winckler
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 condensed interim consolidated financial statements and interim MD&A (together, the "interim filings") of Coalspur Mines Limited (the "issuer") for the interim period ended September 30, 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, summarised 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 July 1, 2012 and ended on September 30, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: November 12, 2012

Jay Bell
VP Finance and Chief Financial Officer