

**COALSPUR MINES LIMITED**

ABN 73 003 041 594

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**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**The Annual General Meeting of the Company will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 31 May 2013 at 10am (WST).**

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*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on + 61 8 6555 2945.***

# COALSPUR MINES LIMITED

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Coalspur Mines Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 31 May 2013 at 10am (WST) (**Meeting**).

The Explanatory Memorandum and Management Information Circular to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Management Information Circular and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 29 May 2013 at 5.00pm (WST).

Terms and abbreviations used in this Notice, Explanatory Memorandum and Management Information Circular are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2012, which includes the Financial Report, the Directors' Report and the Auditor's Report.

### 2. Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions set out in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly

authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### **3. Resolution 2 – Re-election of Director – Mr David Murray**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That Mr David Murray, who retires in accordance with Article 6.3(c) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

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### **4. Resolution 3 – Re-election of Director – Mr Mark Rodda**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That Mr Mark Rodda, who retires in accordance with Article 6.3(c) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

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### **5. Resolution 4 – Amendment to Constitution**

To consider, and if thought fit, to pass the following resolution as a special resolution with or without amendment:

*"That, pursuant to section 136 of the Corporations Act and for all other purposes, the Constitution be amended as follows with immediate effect:*

*Insert the following new Article 6.3(m):*

*(m) Notwithstanding anything contained in this Constitution, every Director (including the Managing Director(s)) must retire at each annual general meeting of the Company while the Company's ordinary shares are listed on the Toronto Stock Exchange. A Director who retires under this Article 6.3(m) is eligible for re-election."*

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### **6. Resolution 5 – Approval of the Grant of Performance Rights to a Director – Ms Gill Winckler**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That, in accordance with Listing Rule 10.14 and for all other purposes, the Directors be and are hereby authorised to grant up to 1,000,000 Performance Rights under the Performance Rights Plan for nil consideration to Ms Gill Winckler on the terms and conditions set out in the Explanatory Memorandum and Management Information Circular."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any of the Directors (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **7. Resolution 6 – Approval of Employee Option Plan**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That, in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve the issue of Options under the Coalspur Mines Limited Employee Option Plan on the terms and conditions set out in the Explanatory Memorandum and Management Information Circular."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any of the Directors (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 8. Resolution 7 – Approval of Non-Executive Director and Consultant Option Plan

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That, in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve the issue of Options under the Coalspur Mines Limited Non-Executive Director and Consultant Option Plan on the terms and conditions set out in the Explanatory Memorandum and Management Information Circular."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any of the Directors (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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Dated 26 April 2013

**BY ORDER OF THE BOARD**



**SIMON ROBERTSON**  
Company Secretary

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# COALSPUR MINES LIMITED

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 31 May 2013 at 10am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice and Management Information Circular. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr David Murray
Section 6:	Resolution 3 – Re-election of Director – Mr Mark Rodda
Section 7:	Resolution 4 – Amendment to Constitution
Section 8:	Resolution 5 – Approval of Grant of Performance Rights to a Director – Ms Gill Winckler
Section 9:	Resolution 6 – Approval of Employee Option Plan
Section 10:	Resolution 7 – Approval of Non-Executive Director and Consultant Option Plan
Schedule 1:	Definitions

A Proxy Form is included with this Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice, this Explanatory Memorandum and the Management Information Circular carefully before deciding how to vote on the Resolutions.

A Proxy Form is included with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are

invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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### **3. Annual Report**

On 7 December 2012, the Company announced that it would adopt 31 December as its financial year end commencing on 31 December 2012 to align the Company's financial year end with the calendar year, its industry peers and that of its Canadian subsidiary as it develops the Vista Coal Project. As a consequence, the Annual Report is for the period 1 July 2012 to 31 December 2012.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://www.coalspur.com> by clicking on the direct link;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about:
  - (i) the conduct of the audit;
  - (ii) the preparation and content of the Auditor's Report;
  - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman of the Meeting about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit;

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*, which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board (except the Managing Director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2012 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2014 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

Resolution 1 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 5. Resolution 2 – Re-election of Director – Mr David Murray

Article 6.3(c) of the Constitution states that if the Company has 3 or more Directors, one third of the Directors must retire at each annual general meeting. In accordance with Article 6.3(f) of the Constitution, a Director who retires under Article 6.3(c) is eligible for re-election.

Accordingly, Mr Murray retires as a Director at the Meeting and, being eligible, seeks re-election as a Director.



Mr. Murray has over 30 years of international experience in the coal industry and has held a number of senior positions within BHP Billiton, including President of Energy Coal (2008 – 2009), President of Metallurgical Coal (2005 – 2008) and Chief Executive Officer of BHP Billiton Mitsubishi Alliance Coal (2001 – 2005). He has served as Chairman of the World Coal Institute, Australian Coal Association and Richards Bay Coal Terminal; as director of the Queensland Resource Council and Coal Industry Advisory Board (Advising International Energy Agency) and council member of the South African Chamber of Mines Council. Mr. Murray holds a B.Sc in Civil Engineering and a Post Graduate Diploma in Mining Engineering.

Mr. Murray is currently a director of Coal of Africa Limited (September 2010 – present), Meridian Resources Limited (January 2012 – present) and Stonewall Mining Pty Limited (February 2011 – present).

Mr. Murray has been a Director since 13 October 2011 and is a member of the Company's Remuneration and Nomination Committee.

The Board believes that Mr Murray has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders. The Board (excluding Mr Murray) unanimously supports the re-election of Mr Murray.

Resolution 2 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 2.

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## **6. Resolution 3 – Re-election of Director – Mr Mark Rodda**

Article 6.3(c) of the Constitution states that if the Company has 3 or more Directors, one third of the Directors must retire at each annual general meeting. In accordance with Article 6.3(f) of the Constitution, a Director who retires under Article 6.3(c) is eligible for re-election.

Accordingly, Mr. Rodda retires as a Director at the Meeting and, being eligible, seeks re-election as a Director.

Mr Rodda is a lawyer with private practice, in-house legal, and corporate consultancy experience with considerable practical experience in the management of mergers and acquisitions, divestments, joint ventures, corporate and project financing transactions and corporate restructuring initiatives. He is currently a partner at Napier Capital, a boutique corporate services and advisory firm. Until it was acquired by Norilsk Nickel in 2007, he was General Counsel and Corporate Secretary of LionOre Mining, a company with operations in Australia and Africa and listings on the ASX, Toronto Stock Exchange and London Stock Exchange. Mr Rodda holds a BA and LLB.

Mr Rodda currently serves on the Board of Antipa Minerals Limited (November 2010 – present) as a non-executive director.

Mr Rodda has been a Director since 13 October 2011 and is a member of the Company's Audit Committee.

The Board believes that Mr Rodda has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders. The Board (excluding Mr Rodda) unanimously supports the re-election of Mr Rodda.

Resolution 3 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 3.

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## **7. Resolution 4 – Amendment to Constitution**

### **7.1 Background**

The TSX has adopted amendments to the TSX Company Manual, which became effective on 31 December 2012, requiring listed companies to elect directors individually and hold annual elections for **all** directors as opposed to multi-year/staggered terms.

If shareholder approval is required to implement this requirement (e.g. because an amendment must be made to the company's constitution), TSX will not consider the company to be in breach of the rule if the company has submitted and recommended the necessary amendments for approval by shareholders and shareholder approval is not attained.

However, if the amendments are not approved by shareholders, the company must submit and recommend the necessary amendments for approval by shareholders at another meeting of the company within 3 years and so on until such time as the necessary amendments are approved.

### **7.2 Relevant terms of the Company's current Constitution**

The Constitution currently provides that:

- (a) a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment (Article 6.3(b));
- (b) if the Company has 3 or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting (Article 6.3(c));
- (c) a Director who retires under Article 6.3(b) or 6.3(c) is eligible for re-election (Article 6.3(f));
- (d) Articles 6.3(b) and 6.3(c) do not apply to the Managing Director of the Company (Article 6.3(a)); and
- (e) the Directors may appoint one or more of themselves as a Managing Director, for any period and on any terms (including as to remuneration) as the Directors resolve (Article 7.1).

### **7.3 Proposed amendment to Constitution**

It is proposed that the following new Article 6.3(m) be inserted in the Constitution to comply with the new requirements of the TSX Company Manual:

*“(m) Notwithstanding anything contained in this Constitution, every Director (including the Managing Director(s)) must retire at each annual general meeting of the Company while the Company's ordinary shares are listed on the Toronto Stock Exchange. A Director who retires under this Article 6.3(m) is eligible for re-election.”*

Resolution 4 seeks Shareholder approval for the above amendment to the Constitution in accordance with section 136 of the Corporations Act.

Resolution 4 is a special resolution and requires approval of at least 75% of the votes cast by Shareholders. The Chairman intends to exercise all available proxies in favour of Resolution 4.

A copy of the amended Constitution, marked up to show the proposed changes, will be sent to any Shareholder upon request and will also be available for inspection at the registered office of the Company during normal business hours.

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## **8. Resolution 5 – Approval of the Grant of Performance Rights to a Director – Ms Gill Winckler**

### **8.1 Background**

The Company proposes to grant a total of 1,000,000 Performance Rights to Ms Gill Winckler, the President and Chief Executive Officer of the Company, under the Performance Rights Plan. The Performance Rights will be granted under the Performance Rights Plan that was approved by Shareholders at a general meeting on 10 June 2011.

In the Company's present circumstances, the Board considers that the incentive to Ms Winckler that will be represented by the grant of these Performance Rights is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Ms Winckler and is consistent with the strategic goals and targets of the Company.

The Performance Rights will vest and automatically convert to Shares on 15 December 2015 if Ms Winckler remains employed by the Company until that date. The Performance Rights will lapse if Ms Winckler ceases to be employed by the Company prior to 15 December 2015.

Shareholder approval is required under Listing Rule 10.14 to grant securities under an employee incentive scheme to a director or an associate of a director. As Shareholder approval is being sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act. The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Performance Shares as the exception in section 211 of the Corporations Act (the "reasonable remuneration" exception) applies.

Resolution 5 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 5.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 5, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company

## 8.2 Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of Performance Rights pursuant to Resolution 5:

- (a) the Performance Rights will be granted to Ms Winckler who is a Director;
- (b) the maximum number of Performance Rights to be granted pursuant to Resolution 5 is 1,000,000. The Performance Rights will only vest and convert into 1,000,000 Shares if Ms Winkler remains an employee of the Company until 15 December 2015;
- (c) the Performance Rights will be granted as an incentive and will be granted for nil monetary consideration. Further, the exercise price of the Performance Rights will also be nil consideration;
- (d) Directors, who have received securities under the Performance Rights Plan since the last approval, are as follows:

Name	No of Performance Rights	Acquisition Price
GILL WINCKLER	1,550,000	Nil
PETER BREESE	100,000	Nil
THEODORE (TED) MAYERS	100,000	Nil
DENIS TURCOTTE	100,000	Nil
DAVID MURRAY	100,000	Nil
MARK RODDA	100,000	Nil

- (e) under the rules of the Performance Rights Plan, only eligible employees (which are determined by the Board) are entitled to participate in the Performance Rights Plan. Ms Winckler has been determined to be an eligible employee for the purposes of the Performance Rights Plan;
- (f) a voting exclusion statement is included in the Notice;
- (g) no loans will be made by the Company in connection with the acquisition of the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.

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## 9. Resolution 6 – Approval of Employee Option Plan

### 9.1 Background

The Coalspur Mines Limited Employee Option Plan (**EOP**) provides for the issuance of Options to executive directors, full-time employees and part-time employees of the Group Companies (**Eligible Employees**).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that

amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Company wishes to exempt issues of securities under the EOP from contributing towards the 15% limit prescribed by Listing Rule 7.1. Shareholder approval of the EOP is sought under Listing Rule 7.2, Exception 9, whereby Shareholders may approve in advance the issue of securities made under the EOP as an exception to the limit under Listing Rule 7.1. Shareholders must reapprove the EOP every 3 years for the exception to continue to apply.

No securities have been issued under the EOP and the EOP has not previously been approved by Shareholders.

Further information about the EOP is set out below. A copy of the EOP can be obtained by contacting the Company.

Resolution 6 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 6.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 6, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company

## 9.2 Overview of the EOP

The EOP has been established as an initiative for creating a stronger link between employee performance and reward and increasing shareholder value by enabling participants to have a greater involvement with, and share in, the future growth and profitability of the Company. The key terms of the EOP are set out below:

**Eligibility:** The Board may offer Options under the EOP to Eligible Employees, having regard to such matters as the Eligible Employee's seniority, position, length of service, record of employment and potential contribution to growth and profitability of the Group.

**Maximum number of Options:** Options may not be offered or issued under the EOP if, immediately following the offer or issue, the aggregate of:

- (a) the number of Shares to be received on exercise of those Options;
- (b) the number of Shares that would be issued upon acceptance or exercise of any outstanding offer or option under any employee share scheme; and
- (c) the number of Shares issued during the previous 5 years pursuant to the EOP or any other employee share scheme extended only to eligible employees,

but disregarding any Options acquired or Shares issued by way of or as a result of:

- (a) the making of an offer or invitation to a person situated at the time of receipt of the offer or invitation outside Australia; or
- (b) an "excluded offer" or "excluded invitation" (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act (1999)); or

- (c) an offer which did not need disclosure because of Section 708 of the Corporations Act; or
- (d) an offer that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
- (e) an offer made under a disclosure document or product disclosure statement, would exceed 5% of the total number of Shares on issue at the time of the offer.

Notwithstanding any other provision of the EOP:

- (a) the number of Shares issuable to insiders under the EOP (together with those Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries) shall not, at any time, exceed 10% of the Shares outstanding; and
- (b) the number of Shares which may be issued under the EOP to insiders within a one-year period (together with those Shares that may be issued pursuant to any other security based compensation arrangements of the Company or its subsidiaries) shall not, at any time, exceed 10% of the Shares outstanding.

**Entitlement:** Each Option entitles the holder to subscribe for and be allotted one Share. Shares issued on the exercise of Options will rank equally with all existing Shares from the date of issue.

**Issue price:** No amount is payable on the issue of Options.

**Exercise price:** The exercise price of the Options will be determined by the Board at the time it resolves to make offers of Options, having regard to such matters as the Board considers appropriate (but which exercise price will not be less than the market value or market price of a Share at that time).

**Exercise of Options:** Options may only be exercised by a participant at the times and in the numbers set by the Board at the time of offer, provided that:

- (a) the Board may stipulate that Options may only be exercised if the Company (or a business division) or the participant (or the relevant Eligible Employee where the participant is an associate of an Eligible Employee) achieves stipulated performance benchmarks; and
- (b) the Board may determine (at any time) that some or all Options are exercisable immediately if:
  - (i) a takeover bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(1) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);
  - (ii) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- (iii) an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or
- (iv) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

**Lapse:** An Option not exercised will lapse on the earlier of:

- (a) the expiry date determined by the Board at the time it resolves to offer the Option;
- (b) the expiry of 30 days, or any longer period which the Board determines, after the participant (or the relevant Eligible Employee where the participant is an associate of the Eligible Employee) ceases to be employed or engaged by any member of the Group for any reason, including death, total and permanent disablement or retirement; and
- (c) a determination of the Board that the participant (or the relevant Eligible Employee where the participant is an associate of the Eligible Employee) has acted fraudulently, dishonestly or in breach of the participant's (or the relevant Eligible Employee's) obligations to the Company or any member of the Group and that the Option is to be forfeited.

The Board may, in its sole discretion, determine that an Option has not lapsed under paragraph (b) above if the participant (or the relevant Eligible Employee where the participant is an associate of the Eligible Employee) has ceased to be employed by any member of the Group as a result of:

- (a) total and permanent disablement, ill health, death, economic necessity or any other factor not attributable to the conduct or performance of that person; or
- (b) retirement under circumstances that are not related to the conduct or performance of that person,

in which case the Option will, subject to the EOP, remain exercisable by the participant (or, where applicable, the participant's executor, administrator or legal personal representative) until the date determined by the Board or until it otherwise lapses in accordance with the EOP.

**Transfer:** Options may not be transferred.

**Quotation:** Options will not be quoted on ASX or the TSX. The Company will make an application to ASX and the TSX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

**Future issues of Shares:** A participant may only participate in new issues of securities to Shareholders if the Option has been exercised and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue.

**Bonus issues:** If the Company makes a bonus issue of Shares or other securities pro rata to Shareholders and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the bonus issue then the number of Shares over which the Option is exercisable will be increased by the number of securities which the holder would have received if the Option had been exercised before the record date for the bonus issue.

**Rights issues:** If the Company makes an offer of Shares pro rata to all or substantially all Shareholders pursuant to the Listing Rules (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the pro rata issue then the exercise price per Option will be reduced in accordance with Listing Rule 6.22.2.

**Reorganisations:** In the event of any reorganisation of the capital of the Company, the rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to such reorganisation at the time of the reorganisation.

**Amendment:** Subject to the Listing Rules and all applicable laws, the Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the EOP or any Option granted under the EOP:

- (i) for the purposes of making minor or technical modifications to any of the provisions of the EOP; and
- (ii) to correct any ambiguity, defective provisions, error or omission in the provisions of the EOP.

provided however that the Board shall obtain shareholder approval of the following:

- (i) any amendment to the maximum number of Shares in respect of which Options may be granted under the EOP; and
- (ii) a change to the amendment section of the EOP.

Any amendment must not materially reduce the rights of any participant in respect of their Options held at the date of the amendment, except in limited circumstances (e.g. where the amendment is introduced primarily to comply with legislation governing or regulating the maintenance or operation of the EOP or to correct any manifest error or mistake).

**Termination or suspension:** The Board may terminate or suspend the EOP by giving written advice to Eligible Employees. Termination of the EOP shall not prejudice any rights or obligations which arose or were entered into prior to the date of termination of the EOP.

### 9.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 Exception 9, the following information is provided:

- (a) the material terms of the EOP are summarised above;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the EOP;
- (c) no securities have been issued under the EOP; and
- (d) a voting exclusion statement is included in the Notice.



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## 10. Resolution 7 – Approval of Non-Executive Director and Consultant Option Plan

### 10.1 Background

The Coalspur Mines Limited Non-Executive Director and Consultant Option Plan (**NEDCOP**) provides for the issuance of Options to:

- (a) non-executive directors of Group Companies; and
- (b) consultants and contractors of Group Companies to whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a “sophisticated” or “professional” investor or to whom an offer falls within section 708(1) of the Corporations Act),

(together, the **Eligible Entities**).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Company wishes to exempt issues of securities under the NEDCOP from contributing towards the 15% limit prescribed by Listing Rule 7.1. Shareholder approval of the NEDCOP is sought under Listing Rule 7.2, Exception 9, whereby Shareholders may approve in advance the issue of securities made under the NEDCOP as an exception to the limit under Listing Rule 7.1. Shareholders must reapprove the NEDCOP every 3 years for the exception to continue to apply.

No securities have been issued under the NEDCOP and the NEDCOP has not previously been approved by Shareholders.

Further information about the NEDCOP is set out below. A copy of the NEDCOP can be obtained by contacting the Company.

Resolution 7 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 7.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company

### 10.2 Overview of the NEDCOP

The NEDCOP has been established as an initiative for increasing shareholder value by enabling participants to have a greater involvement with, and share in, the future growth and profitability of the Company and to incentivise consultants and contractors by creating a stronger link between performance and reward. The key terms of the NEDCOP are set out below:

**Eligibility:** The Board may offer Options under the NEDCOP to Eligible Entities, having regard to such matters as the office held or services provided by the Eligible Entity, their

length of office or service and potential contribution to growth and profitability of the Group.

**Maximum number of options:** Notwithstanding any other provision of the NEDCOP:

- (a) the number of Shares issuable to insiders under the NEDCOP (together with those Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries) shall not, at any time, exceed 10% of the Shares outstanding; and
- (b) the number of Shares which may be issued under the NEDCOP to insiders within a one-year period (together with those Shares that may be issued pursuant to any other security based compensation arrangements of the Company or its subsidiaries) shall not, at any time, exceed 10% of the Shares outstanding.

**Entitlement:** Each Option entitles the holder to subscribe for and be allotted one Share. Shares issued on the exercise of Options will rank equally with all existing Shares from the date of issue.

**Issue price:** No amount is payable on the issue of Options.

**Exercise price:** The exercise price of the Options will be determined by the Board at the time it resolves to make offers of Options, having regard to such matters as the Board considers appropriate (but which exercise price will not be less than the market value or market price of a Share at that time).

**Exercise of Options:** Options may only be exercised by a participant at the times and in the numbers set by the Board at the time of offer, provided that:

- (a) the Board may stipulate that Options may only be exercised if the Company (or a business division) or the participant (or the relevant Eligible Entity where the participant is an associate of an Eligible Entity) achieves stipulated performance benchmarks; and
- (b) the Board may determine (at any time) that some or all Options are exercisable immediately if:
  - (i) a takeover bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(1) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);
  - (ii) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
  - (iii) an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or

- (iv) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

**Lapse:** An Option not exercised will lapse on the earlier of:

- (a) the expiry date determined by the Board at the time it resolves to offer the Option;
- (b) the expiry of 30 days, or any longer period which the Board determines, after the participant (or the relevant Eligible Entity where the participant is an associate of the Eligible Entity) ceases to be engaged or appointed by any member of the Group for any reason, including death, total and permanent disablement or retirement; and
- (c) a determination of the Board that the participant (or the relevant Eligible Entity where the participant is an associate of the Eligible Entity) has acted fraudulently, dishonestly or in breach of the participant's (or the relevant Eligible Entity's) obligations to the Company or any member of the Group and that the Option is to be forfeited.

The Board may, in its sole discretion, determine that an Option has not lapsed under paragraph (b) above if the participant (or the relevant Eligible Entity where the participant is an associate of the Eligible Entity) has ceased to be engaged or appointed by any member of the Group as a result of:

- (a) total and permanent disablement, ill health, death, economic necessity or any other factor not attributable to the conduct or performance of that person;
- (b) retirement under circumstances that are not related to the conduct or performance of that person,

in which case the Option will, subject to the NEDCOP, remain exercisable by the participant (or, where applicable, the participant's executor, administrator or legal personal representative) until the date determined by the Board or until it otherwise lapses in accordance with the NEDCOP.

**Transfer:** Options may not be transferred.

**Quotation:** Options will not be quoted on ASX or the TSX. The Company will make an application to ASX and the TSX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

**Future issues of Shares:** A participant may only participate in new issues of securities to Shareholders if the Option has been exercised and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue.

**Bonus issues:** If the Company makes a bonus issue of Shares or other securities pro rata to Shareholders and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the bonus issue then the number of Shares over which the Option is exercisable will be increased by the number of securities which the holder would have received if the Option had been exercised before the record date for the bonus issue.

**Rights Issues:** If the Company makes an offer of Shares pro rata to all or substantially all Shareholders pursuant to the Listing Rules (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price and no Shares have been allotted in respect of

an Option before the record date for determining entitlements to the pro rata issue then the exercise price per Option will be reduced in accordance with Listing Rule 6.22.2.

**Reorganisations:** In the event of any reorganisation of the capital of the Company, the rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to such reorganisation at the time of the reorganisation.

**Amendment:** Subject to the Listing Rules and all applicable laws, the Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the NEDCOP or any Option granted under the NEDCOP:

- (i) for the purposes of making minor or technical modifications to any of the provisions of the NEDCOP; and
- (ii) to correct any ambiguity, defective provisions, error or omission in the provisions of the NEDCOP.

provided however that the Board shall obtain shareholder approval of the following:

- (i) any amendment to the maximum number of Shares in respect of which Options may be granted under the NEDCOP; and
- (ii) a change to the amendment section of the NEDCOP.

Any amendment must not materially reduce the rights of any participant in respect of their Options held at the date of the amendment, except in limited circumstances (e.g. where the amendment is introduced primarily to comply with legislation governing or regulating the maintenance or operation of the NEDCOP or to correct any manifest error or mistake).

**Termination or suspension:** The Board may terminate or suspend the NEDCOP by giving written advice to Eligible Entities. Termination of the NEDCOP shall not prejudice any rights or obligations which arose or were entered into prior to the date of termination of the NEDCOP.

### 10.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 Exception 9, the following information is provided:

- (a) the material terms of the NEDCOP are summarised above;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the NEDCOP;
- (c) no securities have been issued under the NEDCOP; and
- (d) a voting exclusion statement is included in the Notice.

## MANAGEMENT INFORMATION CIRCULAR

The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with the Explanatory Memorandum.

### Purpose of Solicitation

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Annual General Meeting of shareholders of the Company (the **Meeting**). The Meeting will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Friday, 31 May 2013 at 10am in Perth, Australia) for the purposes set forth in the Notice and Explanatory Memorandum accompanying this Management Information Circular.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefore. Brokers, nominees or other persons holding ordinary shares (**Shares**) in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Shares. The costs of soliciting proxies will be borne by the Company.

### Appointment of Proxies by Registered Shareholders

Enclosed herewith is a form of proxy for use at the Meeting. **A Shareholder has the right to appoint up to two persons (who need not be Shareholders) to attend and act for the Shareholder and on the Shareholders' behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person(s) in the blank space provided in the form of proxy.**

A proxy will not be valid unless it is signed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a corporation, executed by a duly authorised officer or officers in accordance with the instructions attached on the enclosed form of proxy. The proxy to be acted upon must be delivered: (a) in respect of Shareholders registered in the Company's Australian share register, not later than 48 hours prior to the Meeting by mail to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC, 3001 Australia or by Facsimile at 1800 783 477 ( within Australia) or +61 3 9473 2555 (Outside Australia); and (b) for Shareholders registered on the Company's Canadian share register, not later than 48 hours prior to the Meeting by mail to Computershare Investor Services Inc., attention Proxy Department, at 100 University Avenue, Toronto, Ontario, MSJ 2Y1 or by facsimile at +1 416 263 9524.

### Revocation of Proxies

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act (Australia) which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Meeting Chairman on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

### Voting of Proxies

The form of proxy accompanying this Explanatory Memorandum and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or

variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter.

A Shareholder must either mark the boxes directing its proxy how to vote or not mark such boxes in which case the proxy will be voted as recommended by management. Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. If the Shareholder marks the abstain box, it is directing its proxy not to vote on that item on a show of hands or on a poll and that its Shares are not to be counted in computing the required majority on a poll.

### **Advice for Beneficial Holders**

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered shareholder cannot be recognised at the Meeting for the purpose of voting his Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

In Canada, non-registered owners who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners (“**NOBOs**”). Those non-registered owners who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“**OBOs**”).

In accordance with applicable securities legislation, the Company has elected to seek voting instructions directly from NOBOs. As a result, NOBOs can expect to receive a voting instruction form (a “**VIF**”), together with the meeting materials from the Company's transfer agent, Computershare Investor Services Inc. (“**Computershare**”). These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare will tabulate the results of the VIFs received from NOBOs and provide appropriate instructions at the Meeting with respect to the Shares represented by such VIFs.

The Company has distributed copies of the Meeting materials to intermediaries for distribution to all OBOs who have not waived their rights to receive these materials. Often, intermediaries will use a service company (such as Broadridge Financial Solutions Inc.) to forward these meeting materials to non-registered Shareholders. With those meeting materials the intermediaries will provide OBOs with a form of VIF. When properly completed this VIF will constitute voting instructions which the intermediary must follow.

The mechanisms described above for registered Shareholders cannot be used by non-registered shareholders and the instructions on the VIF **must** be followed. The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to direct how his or her Shares are to be voted at the Meeting.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the Shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain Shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been

voted in respect of any such matter. Shares represented by such broker “non-votes” will, however, be counted in determining whether there is a quorum.

All proxy-related material sent by the Company has been sent using information (as to name, address and shareholdings) obtained pursuant to, and in accordance with, applicable securities legislation from the intermediaries. By electing to send materials directly to NOBOs, the Company (and not the intermediary) has assumed responsibility for: (i) delivering the meeting materials to you; and (ii) executing proper voting instructions.

## Voting Shares and Record Date

The directors of the Company have fixed April 9, 2013 as the record date for determining the Shareholders of the Company entitled to receive the Notice of Annual General Meeting. As of the date of this Notice the Company has 634,248,901 Shares issued and outstanding which are entitled to be voted at meetings of shareholders of the Company. The Shares are the only shares of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described above, each Share is entitled to one vote at the Meeting.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.

## Principal Holders of Shares

As of the date of this Management Information Circular, to the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attaching to all issued and outstanding shares of the Company, except as follows:

Name	Total Number of Shares Owned, Controlled or Directed	Percentage of Voting Shares
Borrowdale Park S.A.	153,840,202	24.26%

## Directors

The following table sets out the name of each nominee for re-election as a Director of the Company and each Director whose term of office as a Director will continue after the Meeting. The table sets out, for each nominee and Director, their city and country of residence, position with the Company, principal occupation, business or employment for the five preceding years, the period of time for which each has been a Director of the Company, and the number of Shares of the Company or its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name and Residence	Current Office with Coalspur	Principal Occupation for Five Preceding Years	Director of Coalspur Since <sup>(1)</sup>	No. of Shares Beneficially Owned or Controlled <sup>(4)</sup>
COLIN HENRI STEYN <sup>(2)</sup> <i>London, United Kingdom</i>	Non-Executive Chairman	Non-Executive Director, Mantra Resources Limited (March 2008 – June 2011), Non-Executive Director, Mirabela Nickel Limited (October 2009 – present), Director, Asanko Gold Inc (October 2012 to present).	October 21, 2010	153,840,202 <sup>(5)</sup>
GILL WINCKLER <i>Vancouver, Canada</i>	President and Chief Executive Officer and Director	Vice President-Strategy and Development, BHP Billiton's Diamonds and Specialty Products division (September 2007 to May 2012).	July 1, 2012	245,000
PETER BINSTEED BREESE <sup>(3)</sup> <i>Johannesburg,</i>	Non-Executive Director	Chief Executive Officer and Director, Mantra Resources Limited (January 2010 – June 2011), Chief Executive Officer, Norilsk Nickel	September 6, 2011	871,334

Name and Residence	Current Office with Coalspur	Principal Occupation for Five Preceding Years	Director of Coalspur Since <sup>(1)</sup>	No. of Shares Beneficially Owned or Controlled <sup>(4)</sup>
<i>South Africa</i>		International (September 2007 – August 2008), Director, president and CEO, Asanko Gold Inc (October 2012 to present).		
THEODORE (TED) CHARLES MAYERS <sup>(2)</sup> <i>Toronto, Canada</i>	Non-Executive Director	Director, Mantra Resources Limited (January 2010 – June 2011), Chief Financial Officer, Lundin Mining Corporation (September 2008 – April 2009), Executive Vice President, Business Development, GBS Gold International Inc. (January 2008 – June 2008).	October 13, 2011	375,000
DENIS ANDRE TURCOTTE <sup>(3)</sup> <i>Toronto, Canada</i>	Non-Executive Director	Director, Norbord Inc. (April 2012 – present), Director, Domtar Corporation (February 2007 – present), President and CEO, Algoma Steel Inc. (February 2002 – April 2008)).	December 22, 2010	925,000
DAVID JOHN KEIR MURRAY <sup>(3)</sup> <i>Melbourne, Australia</i>	Non-Executive Director	Director, Meridian Resources Limited (January 2012 – present), Director, Coal of Africa Limited (September 2010 – present), Director, Stonewall Mining (Pty) Limited (February 2011 – present) President, Energy Coal, BHP Billiton (November 2008 – December 2009), President, Metallurgical Coal, BHP Billiton (January 2005 – November 2008).	October 13, 2011	25,000
MARK TREVOR RODDA <sup>(2)</sup> <i>Perth, Australia</i>	Non-Executive Director	Director, Napier Capital Pty Ltd (February 2008 – present), Director, Napier Legal Pty Ltd (October 2008 – present), Director, Antipa Minerals Limited (November 2010 – present).	October 13, 2011	458,334
WILLIAM KEITH SMART <i>London, United Kingdom</i>	Alternate Director for Colin Steyn and Peter Breese	Alternate Director, Mantra Resources Limited (June 2010 – June 2011).	October 13, 2011	153,840,202 <sup>(5)</sup>

**Notes:**

- (1) Each non-executive director's term of office expires at the later of the third annual general meeting of shareholders of Coalspur or three years after that director's last election or appointment. One-third of the directors must retire at each annual general meeting. Retiring directors are eligible for re-election. Subject to the amendments to the Company's constitution as set out in the Notice and Explanatory Memorandum, each director's term of office will expire at the next annual general meeting of shareholders of Coalspur as required by TSX. Retiring directors are eligible for re-election.
- (2) Member of the Audit Committee
- (3) Member of the Remuneration and Nomination Committee.
- (4) "Shares" means fully paid ordinary shares in the capital of the Company.
- (5) Shares registered in the name of Borrowdale Park S.A.

The Toronto Stock Exchange (the "TSX") has recently adopted amendments to its Company Manual that require listed companies to disclose whether they have adopted a majority voting policy for the election of directors and if not, to explain their practices for the election of directors and why they have not adopted a majority voting policy. A majority voting policy is typically used when shareholders are only entitled to vote "for" or "withhold" their vote in respect of the election of each director. Majority voting policies generally provide that a director who receives a majority of "withhold" votes, but is elected, must tender his resignation for consideration by the Board. The Board is generally expected to consider the director's resignation and make a public announcement of its decision.

The Company has not adopted a majority voting policy due to the fact that the Company has adopted a majority voting system that aligns with Australian corporate practice. Shareholders of the Company can vote "for", "against" or "abstain" with respect to the election of each director. If a director receives a majority of votes against their election, they will not be elected and their position on the board will cease immediately. Votes cast as an abstention are not counted in favour or against a resolution.



The directors of the Company have not, within the 10 years before the date hereof, been a director, a chief executive officer or chief financial officer of any company that:

- was subject to an order that was issued while he was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to an order that was issued after he ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, the directors of the Company are not, and have not been within 10 years before the date hereof, a director or executive officer of any company that, while acting in that capacity, or within a year of ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets:

- In June 2008, Mr Mayers resigned as an executive officer of GBS Gold International Inc., a British Columbia company formerly listed on the TSX, which voluntarily began liquidation proceedings in respect of its Australian subsidiaries on September 15, 2008.
- In August 2008, Mr Breese resigned within the first month of commencing employment as an executive officer of GBS Gold International Inc., a British Columbia company formerly listed on the TSX, which voluntarily began liquidation proceedings in respect of its Australian subsidiaries on September 15, 2008.

The directors of the Company have not, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

The directors of the Company have never been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **Corporate Governance**

National Instrument 58-101 of the Canada Securities Administrators - Disclosure of Corporate Governance Practices ("**NI 58-101**") sets out a series of guidelines for effective corporate governance which address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 also requires that the Company disclose in this Management Information Circular its system of corporate governance which is set out below.

### *Board of Directors*

The Board of the Company is currently comprised of seven Directors and one alternate Director, six of whom (a majority) are independent, namely, Messrs Steyn, Turcotte, Breese, Murray, Mayers and Rodda. Ms Winckler (President and Chief Executive Officer) is not independent as she is an executive officer of the Company.

The independent directors do not hold regularly scheduled meetings at which the non-independent director and members of management are not in attendance. The Board considers that such meetings are not necessary considering the current nature of the Company's operations and breadth of membership of the Board, and given that the Board promotes

generally open and candid discussions among independent directors. However, as required, the independent directors ask that the non-independent director and members of management excuse themselves from Board meetings when appropriate. The Board believes that this procedure is appropriate given the size of the Company. The role and responsibilities of the Chair of the Board are set out in the Board charter below.

The attendance record of the directors at meetings of the Board held during the Company's most recently completed financial year was as follows:

Current Directors	Board Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Colin Steyn	2	2	2	2	-	-
Gill Winckler	2	2	-	-	-	-
Denis Turcotte	2	2	-	-	1	1
Peter Breese	2	2	-	-	1	1
David Murray	2	2	-	-	1	1
Ted Mayers	2	2	2	2	-	-
Mark Rodda	2	2	2	2	-	-
William Smart	2	1	-	-	-	-

#### *Other Directorships*

The following directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

- Mr Colin Steyn – Mr Steyn holds a directorship in Mirabela Nickel Limited (October 2009 – present) and Asanko Gold Inc (October, 2012 to present).
- Mr Denis Turcotte – Mr Turcotte holds a directorship in Domtar Corp. (2007 – present) and Norbord Inc. (April 2012 – present).
- Mr David Murray – Mr Murray holds a directorship in Coal of Africa Limited (September 2010 – present), Meridian Resources Limited (January 2012 – present) and Stonewall Mining Pty Limited (February 2011 – present).
- Mr Mark Rodda – Mr Rodda holds a directorship in Antipa Minerals Limited (November 2010 – present).
- Mr Peter Breese holds a directorship in Asanko Gold Inc (October, 2012 to present).

#### *Board Mandate*

The Board has adopted a written charter, a copy of which is attached as 'Appendix A'. Generally speaking, the Board is responsible for the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating (with management) its strategic direction, approving and monitoring capital expenditures, setting remuneration, appointing, removing and creating succession policies for directors and executive officers, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for monitoring financial and other reporting.

### *Position Descriptions*

Other than as set out in the Board charter, the Board has not adopted written position descriptions for the Chairman of the Board on the basis that the role of the Chairman of the Board is well understood by all of the directors. Similarly, other than as set out in the Board charter and the CEO's employment contract, the Board has not adopted a written position description for the President and CEO, Ms Winckler, on the basis that her role and responsibilities are well understood by her and by the other directors.

The role of chair of the Audit Committee and the Remuneration and Nomination Committee is set out in the committee charters.

### *Orientation and Continuing Education*

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

### *Ethical Business Conduct*

Directors of the Company must keep the Board advised, on an on-going basis, of any material personal interest in a matter that relates to the affairs of the Company. Where a director has a personal interest in a matter, the director will remove himself from any deliberations regarding the matter to which the conflict relates.

To encourage ethical business practices, with the prior approval of the Chairman or independent directors, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his duties and responsibilities as a director.

The Company has implemented a code of ethics and conduct for its directors, officers and employees. If any director, officer or employee suspects that a breach of the code has occurred or will occur, he or she is required to report the breach to management. No person will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach of the code. All reports will be acted upon and kept confidential. A person may obtain a copy of the code by contacting the Company.

### *Nomination and Compensation of Directors*

Effective June 1, 2011, the Company established a remuneration and nomination committee (the "**Remuneration and Nomination Committee**"). The Remuneration and Nomination Committee is responsible for all matters related to director recruitment, orientation, compensation, and continuing education and evaluations of the Board, its committees and its members. This includes periodically assessing the skills present on the Board, making recommendations as to whether and how those skills ought to, or could be, enhanced, and implementing a process for the identification of suitable candidates for appointment to the Board. However given its size, the Board has not yet adopted a formal process for identifying new candidates for nomination.

The Remuneration and Nomination Committee currently consists of three members: Messrs. Turcotte (Chairman), Breese and Murray. None of the members has ever been an executive officer or employee of the Company. Each member of the Remuneration and Nomination Committee is independent, as that term is defined by NI 58-101 and the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

### *Other Board Committees*

The Board currently has no standing committees other than the Audit Committee and the Remuneration and Nomination Committee. The information prescribed by Part 5 of NI 52-110 is set out under the heading "Audit Committee" in the Company's Annual Information Form dated 28 March 2013.

### *Assessments*

The Remuneration and Nomination Committee has been delegated responsibility for recommending a process for the evaluation of the Board as a whole, committees of the Board and its individual members. To date, given the size of the Board and the frequency with which its meetings are held, neither the Board nor the Remuneration and Nomination Committee has found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual Directors are performing effectively.

### **Executive Compensation**

Coalspur's remuneration policy encompasses the "total" value (direct cash or otherwise) employees receive as a result of their employment, including all forms of base salary, short and long term incentives, benefits and perquisites.

The following information, tables and the notes thereto summarise the compensation for the following named executive officers of the Company for the financial year ended December 31, 2012: the Chief Executive Officer, the acting Chief Financial Officer, the Vice President, Strategy and Development, Vice President, Vista Development and the Vice President, External Affairs and Logistics.

**"NEO" or "Named Executive Officer"** means each of the following individuals:

- (a) a Chief Executive Officer;
- (b) a Chief Financial Officer;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

### *Compensation Discussion and Analysis*

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board concerning the appointment, compensation, benefits and termination of executive officers and all other senior employees of the Company. This committee also makes recommendations for a process for evaluating the effectiveness of the Board and recommendations concerning the composition and remuneration of the Board.

Coalspur's remuneration policy encompasses the total value (direct cash or otherwise) employees receive as a result of their employment, including all forms of base salary, short and long term incentives, benefits and perquisites. The board of Directors and the President and CEO believe that ensuring the employees of the Company are competitively paid and have

access to competitive benefits is critical to Coalspur's success. With a particular emphasis on paying above the average for above average performance through the broad based use of short and long term incentive programs, the board will align employees' success with the success of the Company's shareholders.

The compensation of the Named Executive Officers is set out in the "Summary Compensation Table" and "Employment Contracts" sections below. The executive compensation policy adopted by the Board is as follows:

#### *Fixed Remuneration*

Coalspur's compensation framework is structured in a way that aligns compensation with the naturally occurring levels that exist in the organisation. These levels reflect the complexity of the work that is carried out and the associated accountabilities of the individuals that perform the various functions at each level, in addition to the skills and experience required to be successful. Total compensation includes base salary, short term incentive plan ("**STIP**"), and in some cases long term incentive plan components.

Coalspur has established base salary midpoints consistent with the level of a position reflecting the range of work and responsibilities and consistent with the knowledge and experience required to be effective in the role. These base midpoint salaries have been benchmarked against similar roles in related organisations periodically to ensure competitiveness. The entire base salary framework is reviewed annually by the Remuneration and Nominations Committee ("**RNC**") along with Coalspur management and adjusted as required to reflect inflation and other competitive changes.

Actual salaries typically range between 80% and 120% of the base salary midpoint for a role, based on the knowledge and experience of the incumbent, time in role, and overall effectiveness of the individual as assessed by their supervisor through the completion of a formal performance review process conducted as required but not less frequently than on an annual basis. All base salary adjustments require President and CEO approval with the exception of those for the President and CEO's direct reports and the President and CEO which will be reviewed and authorised by the RNC.

#### *Performance Based Remuneration – Short Term Incentive Plan ("**STIP**")*

Permanent, full time employees of Coalspur are eligible to participate in the Company's STIP. The STIP, as designed and amended from time to time, will pay an annual cash bonus upon the incumbent achieving targeted results related to various key performance indicators ("**KPI's**") that reflect overall corporate, department and individual objectives. These KPI's are established and adjusted over time by the RNC, President and CEO, and management to ensure the organisation remains focused on business priorities. The RNC, President and CEO, and management of Coalspur will assess performance and establish the level of success as it relates to the individual, department, and broader business objectives.

STIP targets are developed by management and reviewed by the RNC each calendar year. For 2012, the STIP of all employees is comprised of 30% corporate and 70% personal objectives.

The individual portion, which represents 70% of the STIP award is specifically tailored to each employee eligible to receive the STIP which consists of personal goals and objectives to be achieved by each employee during the year. The corporate and individual performance are analysed and reviewed subsequent to each calendar year end to determine the percentage of STIP that will be awarded.

#### *Performance Based Remuneration – Long Term Incentive Plan ("**LTIP**")*

Coalspur has adopted a Long Term Incentive Plan ("**LTIP program**") comprised of the Coalspur Employee Performance Rights Plan and the Coalspur Contractor Performance Rights Plan to

attract, retain, and reward executives, senior managers, and contractors for long term performance. Given the early stage and developmental nature of the Company, the board has decided it is in the best interests of the shareholders to extend this program more broadly to attract and retain key personnel at lower levels of the organisation as a transitional aspect of the LTIP program. This aspect, in addition to general trends and developments related to LTIP programs will be monitored by the RNC with adjustments recommended to the board as appropriate over time.

The plans provide for the issuance of unlisted performance share rights (“**Performance Rights**”) which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share on a one to one basis upon the recommendation of the President and CEO and approval of the Board of Directors. Performance Rights are issued for no consideration, and no amount is payable by recipients upon conversion thereof.

In the event of a change in control, Performance Rights will automatically vest. A change of control for the purposes of the LTIP program are a Court approval of a merger by way of a scheme arrangement; a takeover; or any person acquiring 50.1% or more of the share by any other means.

When an employee ceases to be employed by the Company before the Performance Rights then held become vested by reason of death, permanent disability, bona fide redundancy or retirement providing that the conditions of the Performance Rights have otherwise been met and have not lapsed, the Board has the discretion to deem the Performance Rights held as vested or lapsed, either whole or in part.

When an employee is terminated by reasons other than previously stated, Performance Rights will lapse immediately.

Grants of Performance Rights made to eligible participants under the LTIP Program will assist with the Company's strategy to attract and retain key employees and contractors, and will:

- (a) enable the Company to recruit, incentivise and retain KMP and other eligible employees and contractors recently recruited;
- (b) link the reward of eligible participants with the achievements of strategic goals and the long term performance of the Company;
- (c) align the financial interests of eligible participants of the proposed Plans with those of Shareholders; and
- (d) provide incentives to eligible participants of the Plans to focus on superior performance that creates Shareholder value.

Share rights granted under the Plans to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. Share rights currently on issue have been granted in tranches based on milestones linked to the Vista Coal Project as follows:

- Tranche 2 – Project Construction Milestone, commencement of construction at the Vista Coal Project, which has an expiry date of June 30, 2013;
- Tranche 3 – Initial Production Milestone, initial production at the Vista Coal Project, with an expiry date of June 30, 2015;
- Tranche 4 – Ramp-up Production Milestone, ramp-up of production to 4.0 Mtpa equivalent for a three month period, which has an expiry date of June 30, 2016;

- Tranche 5 – Financing Milestone, subject to execution of appropriate binding financing as required to fund Phase 1, which has an expiry date of June 30, 2013;
- Tranche 6 – at the discretion of the board upon establishing and adjusting as required a satisfactory organisation structure for the development of the Vista Coal Project, which has an expiry date of June 30, 2014; and
- Tranche 7 – Time Based Milestone, subject to employee remaining in employment until 15 December 2015 which have an expiry date of 15 December 2015.

*Note: Tranche 1 Performance Rights vested in January 2012.*

These performance conditions must be satisfied in order for the share rights to vest. Upon share rights vesting, Shares are automatically issued for no consideration. If performance conditions are not met by the expiry date then the related Performance Rights will lapse.

Up until August 30, 2010, the Company provided stock options to some KMP as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Company and its subsidiaries (“**Group**”). The Board considered that each KMP who received stock options would greatly assist the Group in progressing its projects to the next stage of development. As such, the Board believed that the number of stock options granted to each KMP was commensurate to their value to the Group.

The Board’s policy was to grant stock options to KMP with exercise prices at or above market share price (at the time of agreement). As such, the stock options granted to KMP were generally only of benefit if the KMP performed to the level whereby the value of the Group increased sufficiently to warrant exercising the stock options granted. Other than service-based vesting conditions (if any), there were no additional performance criteria on the stock options granted to KMP, as given the speculative nature of the Group’s activities at that time and the previously small management team responsible for its running, it was considered the performance of the KMP and the performance and value of the Group were closely related.

As set out in the Notice and Explanatory Memorandum, the Company is proposing to adopt an Employee Option Plan and a Non-Executive Director and Consultant Option Plan. Options granted under these plans to eligible participants may be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time.

The Remuneration and Nomination Committee oversees the establishment and implementation of remuneration policy and as part of its role considers the implications of the general risks associated with the Company’s compensation policies and practices.

The Remuneration and Nomination Committee has not identified risks arising from the Company’s compensation policies and practices that could encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks or that are reasonably likely to have a material adverse effect on the company.

NEO or directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or directors.

The following table sets out certain information respecting the compensation paid to the NEO’s during the most recently completed financial year.

NEO	Financial Year	Salary & Fees (\$)	Share-based Awards (\$) <sup>(4)</sup>	Option-based Awards <sup>(1)</sup> (\$)	Annual Incentive Plans (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Gill Winckler <sup>(1)</sup> CEO & Vice President	2012 <sup>(3)</sup>	225,000	141,909	-	157,500	3,483	807	528,699
	2012	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-
David Leslie [VP, Vista Project]	2012 <sup>(3)</sup>	100,000	90,913	-	52,500	-	478	243,891
	2012	180,000	303,988	258,146	79,940	6,476	5,363	833,913
	2011	135,878	-	738,583	26,383	6,611	1,221	908,676
Jay Bell [VP, Finance and Acting CFO]	2012 <sup>(3)</sup>	95,000	81,746	-	49,875	-	5,952	232,573
	2012	175,000	310,633	-	95,955	6,476	17,658	605,722
	2011	80,920	24,276	-	-	4,346	994	110,536
Wayne Drier [VP, Strategy and Development]	2012 <sup>(3)</sup>	115,000	123,544	-	120,750	-	5,117	364,411
	2012	238,332	590,135	-	-	6,476	9,181	844,124
	2011	20,082	-	-	-	-	-	20,082
David Montpetit (VP, External affairs and Logistics)	2012 <sup>(3)</sup>	88,315	61,634	-	77,350	-	820	228,119
	2012	155,000	209,076	-	54,463	6,476	5,363	430,378

**Notes:**

- (1) Ms Winckler was appointed on July 1, 2012
- (2) Non-monetary benefits include payments for health benefits and taxable benefits relating to vehicles
- (3) For 6 month period to 31 December 2012
- (4) The fair value of Performance Rights issued during the year were valued based on the 5 day VWAP of the Shares at the end of the previous quarter to which the Performance Rights were issued.

Details of stock options and share rights granted by the Company to each Named Executive Officer during the most recently completed financial year are as follows:

NEO	Options/Rights	Grant Date <sup>(1)</sup>	Expiry Date	Exercise Price (\$)	Grant Date Fair Value <sup>(2)</sup> (\$)	No. Granted <sup>(3)</sup>	No. Vested at December 31, 2012
Gill Winkler	Rights	30-Nov-12	30-Jun-13	-	202,500	250,000	-
	Rights	30-Nov-12	30-Jun-15	-	202,500	250,000	-
	Rights	30-Nov-12	30-Jun-16	-	202,500	250,000	-
	Rights	30-Nov-12	30-Jun-13	-	526,600	650,000	-
	Rights	30-Nov-12	30-Jun-14	-	121,500	150,000	-
Dave Leslie	Rights	20-sept-12	31-Jun-13	-	69,473	107,743	-
Jay Bell	Rights	20-sept-12	31-Jun-13	-	41,682	64,644	-
Wayne Drier	Rights	20-sept-12	31-Jun-13	-	191,257	296,615	-
David Montpetit	Rights	20-sept-12	31-Jun-13	-	45,157	70,033	-

**Notes:**

- Each stock option and share right converts into one Share in Coalspur Mines Limited.
- Share rights are valued using the VWAP of Shares for the 5 trading days prior to the grant of the rights.

**Outstanding Option and Share Based Awards**

Option based awards are considered as components of both short term and long term incentive compensation. Options have been issued to key management personnel at the discretion of the Board on the basis that the Company did not have a separate remuneration committee prior to June 1, 2011. Options vest upon the optionholder remaining employed by the Company for a specified period of time. Previous grants of option-based awards are taken into account when considering new grants.



All options are exercisable for fully paid ordinary shares in the capital of the Company.

The following table summarises the number and value of all option, share right and share-based awards outstanding for each Named Executive Officer at the end of the most recently completed financial year, including awards granted before the most recently completed financial year:

NEO	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options/Rights #	Option/Right Exercise Price (A\$)	Option/Right Expiry Date	Value of Unexercised in-the-money Options/Rights (A\$)	Number of Shares or Units of Shares that have not Vested #	Market or Payout Value of Share-based Awards that have not Vested (\$A)	
Gill Winckler	250,000	-	30-Jun-13	180,000	250,000	180,000	
	250,000	-	30-Jun-15	180,000	250,000	180,000	
	250,000	-	30-Jun-16	180,000	250,000	180,000	
	650,000	-	30-Jun-13	468,000	650,000	468,000	
	150,000	-	30-Jun-14	108,000	150,000	108,000	
David Leslie	750,000	\$0.85	30-Jun-14	-	-	-	
	750,000	\$0.95	31-Dec-14	-	-	-	
	750,000	\$1.05	30-Jun-15	-	-	-	
	64,000	-	30-Jun-13	46,080	64,000	46,080	
	64,000	-	30-Jun-15	46,080	64,000	46,080	
	64,000	-	30-Jun-16	46,080	64,000	46,080	
	107,743	=	30-Jun-13	77,574	107,743	77,574	
Wayne Drier	135,000	-	30-Jun-14	97,200	135,000	97,200	
	296,615	-	30-Jun-13	213,563	296,615	213,563	
Jay Bell	64,000	-	30-Jun-13	46,080	64,000	46,080	
	64,000	-	30-Jun-15	46,080	64,000	46,080	
	64,000	-	30-Jun-16	46,080	64,000	46,080	
	64,644	-	30-Jun-13	46,544	64,644	46,544	
David Montpetit	45,000	-	30-Jun-13	32,400	45,000	32,400	
	45,000	-	30-Jun-15	32,400	45,000	32,400	
	45,000	-	30-Jun-16	32,400	45,000	32,400	
	70,033	-	30-Jun-13	50,423	70,033	50,423	

### Incentive Plan Awards – Value Vested or Earned During the Year

Name (a)	Option-based awards – Value vested during the year \$ (b)	Share-based awards – Value vested during the year \$ (c)	Non-equity incentive plan compensation – Value earned during the year \$ (d)
Gill Winckler	-	-	157,500
David Leslie	-	128,646	52,500
Wayne Drier	-	213,931	120,750
Jay Bell	-	131,368	49,875
David Montpetit	-	88,540	77,350

**Notes:**

- Value of Option and Share based awards represents value at the time of grant.

### Securities Authorised for Issuance Under Equity Compensation Plans

The following table sets out information in respect of compensation plans under which equity securities of the Company are authorised for issuance at December 31, 2012

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders <sup>(a)</sup>	4,828,979	-	Not applicable
Equity compensation plans not approved by securityholders <sup>(b)</sup>	35,925,000	A\$0.88	-

(a) Issued pursuant to Employee and Contractor Performance Rights Plans approved by Shareholders.

(b) represents 35,925,000 options that were not granted pursuant to any formal option plan or similar compensation arrangement, however it is noted that 30,400,000 options granted during the financial years ended June 30, 2010, 2011 and 2012 were approved by Shareholders at General Meetings.

### Compensation of Non-Executive Directors

The following table sets out all amounts of compensation provided to the non-executive directors for the Company's most recently completed financial year

Non-Executive Director	Fees Earned \$	Share-based Awards \$	Total \$
Colin Steyn	56,250	-	56,250
Denis Turcotte	36,250	20,231	56,481
Peter Breese	33,750	7,677	41,427
David Murray	33,750	35,748	69,498
Ted Mayers	37,500	35,748	73,248
Mark Rodda	33,750	35,748	69,498
William Smart	16,250	-	16,250

**Notes:**

(1) Share-based awards include amounts for share rights granted to directors of the Company during the financial year.

During the most recently completed financial year, in addition to the compensation arrangements for the Named Executive Officers each non-executive director received fees for their services as directors. With respect to payments made to non-executive directors, the Chairman receives A\$110,000 per annum and other non-executive directors receive a fixed fee of A\$65,000 per annum. The Chairman of the Audit Committee receives an additional A\$10,000 per annum for this role. The Chairman of the Remuneration and Nomination Committee receives an additional A\$7,500 per annum for this role. Each other member of a committee receives an additional A\$2,500 per annum. Alternate directors receive 50% of the fee payable to non-executive directors. Should the non-executive directors provide services over and above those expected of such a position, the Company will provide reasonable remuneration for those services. During the financial year ended December 31, 2012 no such services were provided.

To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and have in limited circumstances received options or Performance Rights. During the financial year ended December 31, 2012, Ms Winckler received 1,550,000 performance rights and Mr Breese received 100,000 performance rights following shareholder approval.

## Employment Contracts

Ms Winckler, President and Chief Executive Officer, has a contract of employment with Coalspur Mines Limited which commenced on July 1, 2012. The contract specifies the duties and obligations to be fulfilled by the President and Chief Executive Officer. The contract has a rolling annual term and may be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for just cause (which has the meaning commonly ascribed to the phrase "just cause" at common law in Canada). Ms Winckler receives a fixed remuneration component of \$450,000 per annum and a maximum discretionary bonus of \$450,000 per annum. The actual amount of bonus paid is dependent on the evaluation of Ms Winckler's achievement of key performance indicators by the Remuneration and Nomination Committee and subject to Board approval. Ms Winckler was issued 1,550,000 Performance Rights under the LTIP during the financial year ended December 31, 2012. Subject to shareholders' approval Ms Winckler will be issued a further 1,000,000 Performance Rights under the LTIP Program.

Mr Leslie, Vice President, Vista Project, has a contract of employment with Coalspur Mines (Operations) Ltd. dated April 24, 2010. The contract specifies the duties and obligations to be fulfilled by the Vice President, Vista Project. The contract has a rolling annual term and may be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for just cause (which has the meaning commonly ascribed to the phrase "just cause" at common law in Canada). Mr Leslie receives a fixed remuneration component of \$200,000 per annum and a maximum discretionary bonus of \$150,000 per annum. The actual amount of bonus paid is dependent on the evaluation of Mr Leslie's achievement of key performance indicators by the Remuneration and Nomination Committee and subject to Board approval.

Mr. Drier, Vice President, Commercial, has a contract of employment with Coalspur Mines (Operations) Ltd. dated July 29, 2011. The contract specifies the duties and obligations to be fulfilled by the Vice President, Commercial. The contract has a term of between 18 and 24 months (as agreed closer to the expiry of the term) and may be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for just cause (which has the meaning commonly ascribed to the phrase "just cause" at common law in Canada). Mr. Drier receives a fixed remuneration component of \$230,000 per annum and a maximum discretionary bonus of \$172,500 per annum. The actual amount of bonus paid is dependent on the evaluation of Mr. Drier's achievement of key performance indicators by the RNC and subject to Board approval.

Mr Bell, VP Finance and Acting CFO, has a contract of employment with Coalspur Mines (Operations) Ltd. dated December 1, 2010. The contract specifies the duties and obligations to be fulfilled by the VP Finance and Acting CFO. The contract has a rolling annual term and may be terminated by the Company by giving three months notice. No amount is payable in the event of termination for just cause (which has the meaning commonly ascribed to the phrase "just cause" at common law in Canada). Mr Bell receives a fixed remuneration component of \$190,000 per annum and a maximum discretionary bonus of \$142,500 per annum. The actual amount of bonus paid is dependent on the evaluation of Mr Bell's achievement of key performance indicators by the Remuneration and Nomination Committee and subject to Board approval.

Mr. Montpetit, VP External Affairs and Logistics, has a contract of employment with Coalspur Mines (Operations) Ltd. dated June 27, 2011. The contract specifies the duties and obligations to be fulfilled by the VP External Affairs and Logistics. The contract has a rolling annual term and may be terminated by the Company by giving three months notice. No amount is payable in the event of termination for just cause (which has the meaning commonly ascribed to the phrase "just cause" at common law in Canada). Mr. Montpetit receives a fixed remuneration component of \$190,000 per annum and a maximum discretionary bonus of \$142,500 per annum. The actual amount of bonus paid is dependent on the evaluation of Mr. Montpetit's achievement of key

performance indicators by the RNC and subject to Board approval.

### **Pension Plan Benefits**

The Company does not have a pension plan and has not provided for any pension plan benefits, other than statutory superannuation, to its Named Executive Officers. Executives receive superannuation contributions, currently at 9% for Australian employees, and do not receive any other retirement benefit.

### **Compensation of Remuneration and Nomination Committee**

The Company has established a Remuneration and Nomination Committee made up of independent directors. The current members of the Committee are Messrs Turcotte (Chairman), Breese and Murray. Members of the Remuneration and Nomination Committee get paid additional directors fees for their attendance at meetings of the Committee. The Chairman receives A\$7,500 per annum and other members receive A\$2,500 per annum. Each of the committee members has skills and experience suitable in considering and setting executive remuneration gained through holding executive positions responsible for setting executive remuneration.

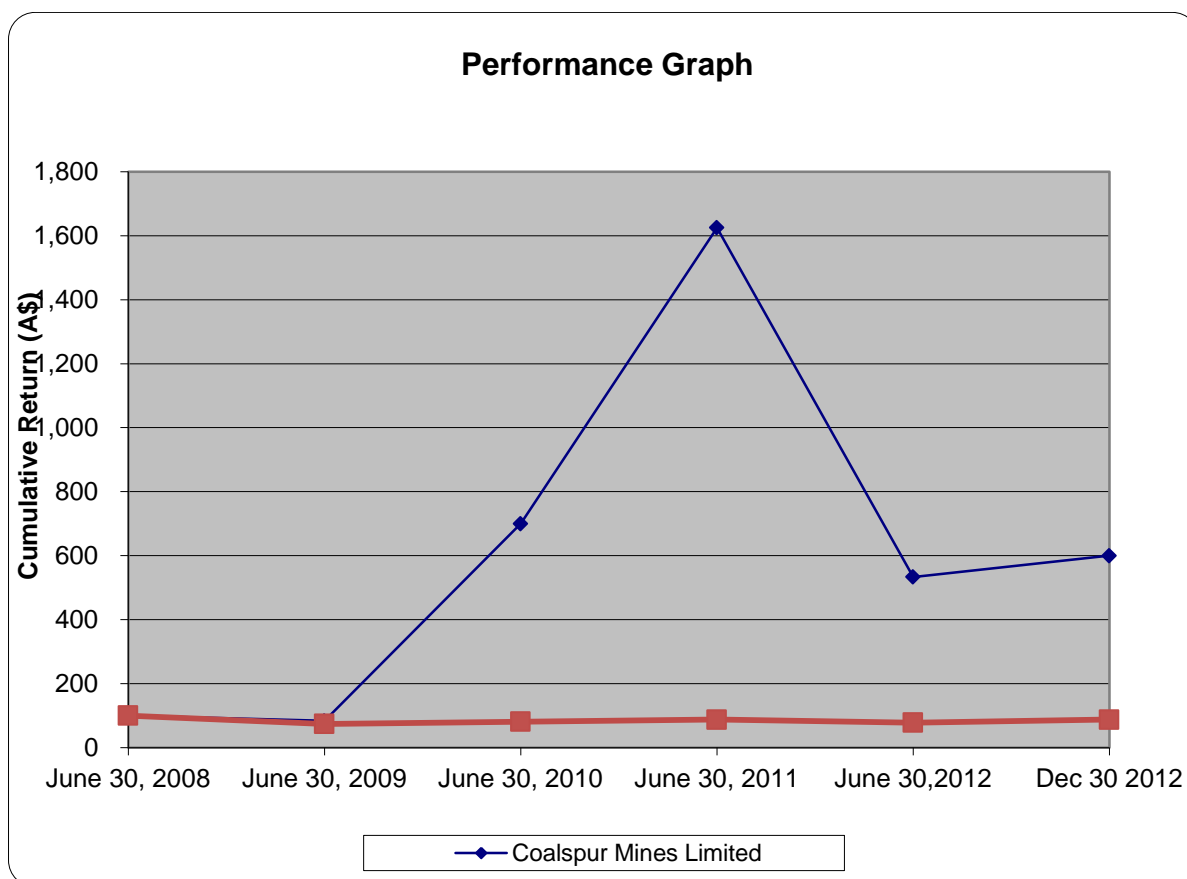
The Company's remuneration policy encompasses the "total" value (direct cash or otherwise) employees receive as a result of their employment, including all forms of base salary, short and long term incentives, benefits and perquisites. It is the belief of the board of directors and the Chief Executive Officer that ensuring the employees of the Company are competitively paid and have access to competitive benefits is critical to the Company's success. With a particular emphasis on paying above the average for above average performance through the broad based use of short and long term incentive programs, the board will align employee's success with the success of the Company's shareholders.

The Remuneration and Nominations Committee engaged a remuneration consultant to provide and review market data and practices for base salaries, STIP and LTIP programs. While no specific recommendations were made in respect to the period ended December 31 2012 the President and CEO used the market information provided by the consultant, and purchased market survey data to make recommendations to the Remuneration and Nominations Committee in relation to remuneration of all employees.

### **Performance Graph**

The following performance graph shows the cumulative shareholder return of Coalspur for the last five most recently completed financial years compared to the S&P/ASX All Ordinaries Index.

The table below the graph shows what a A\$100 investment in Shares and the S&P/ASX All Ordinaries Index, respectively, made on June 30, 2008 would be worth at June 30, 2009, 2010, 2011 and 2012 and December 31, 2012, following the initial investment.



	June 30, 2008 (A\$)	June 30, 2009 (A\$)	June 30, 2010 (A\$)	June 30, 2011 (A\$)	June 30, 2012 (A\$)	Dec 31, 2012 (A\$)
Coalspur Mines Limited	100	83	700	1,625	533	600
S&P / ASX All Ordinaries Index	100	74	81	87	78	87

During the 6 month period ended December 31, 2012 the price of thermal coal remained below \$US100 per tonne affecting the share prices of companies within the thermal coal sector. The other significant factor that management believes has negatively affected the sector and the Company's share price is the ongoing economic uncertainty around the world and the impact this may have on thermal coal demand.

### Indebtedness of Directors and Executive Officers

As of the date of this Management Information Circular, no executive officer, director, employee or former executive officer, director, employee of the Company or any subsidiary is indebted to the Company or its subsidiary in connection with a purchase of securities or otherwise.

As of the date of this Management Information Circular, there is no indebtedness owing to the Company from any of its executive officers or directors or former directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or a subsidiary of the Company.

## Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in the matters to be acted upon at the Meeting other than as follows:

Name	Interest in Resolution #
Mr David Murray	2, 7
Mr Mark Rodda	3, 7
Ms Gill Winckler	5, 6
Mr Peter Breese	7
Mr Ted Mayers	7
Mr Colin Steyn	7
Mr Denis Turcotte	7

## Interest of Informed Persons in Material Transactions

In February 2012, the Company entered into a \$70 million Facility Agreement with Borrowdale Park S.A. ("**Highland Park**"), which is associated with Messrs Colin Steyn and William Smart. Under the agreement, Coalspur provided Highland Park with security over its assets, issued eight million options to purchase ordinary shares as a facility fee, and seven million options to purchase ordinary shares as a funding fee, which vest at a rate of one million options per \$10 million drawn on the facility. 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. The Company has drawn \$40 million on the Facility Agreement. As of the date of this Management Information Circular, \$30 million is available to Coalspur due to draws received.

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

- The secured facility is for up to \$70 million, to be drawn in increments of \$10 million;
- Interest is payable every 180 days and bears an annual fixed interest rate of 6.25%;
- Drawdown period - 12 months from the satisfaction of the conditions precedent;
- Repayment period - 24 months with from first draw down; and
- Coalspur may repay the facility early, at its discretion, with no penalty.

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

- Eight million vested establishment options with an exercise price of \$1.562 and an expiry date of May 8, 2015.
- Seven million funding options, which will vest at the rate of one million options per \$10 million drawn, with an exercise price equal to the greater of A\$1.248, or 120% of the volume weighted average market price for the five trading days prior to the relevant draw down date. These options expire three years from their respective vesting dates. Unvested options cannot be exercised and will expire on repayment or termination of the Facility Agreement.

On May 16, 2012, the Company drew \$20 million under the facility, causing two million funding options to vest with a strike price of A\$1.622.

On September 14, 2012, the Company drew \$10 million under the facility, causing one million funding options to vest with a strike price of A\$1.248.

On March 18, 2013 the Company drew \$10 million under the facility, causing one million funding options to vest with a strike price of A\$1.248.

Other than as disclosed, since the commencement of the Company's most recently completed financial year there were no transactions and there are no proposed transactions that have materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company, or any proposed director of the Company or any associate or affiliate of any informed person, or any proposed director of the Company has any material interest (direct or indirect).

### **Auditors**

The Company's auditor is Deloitte Touche Tohmatsu. Deloitte was first appointed as auditor of the Company on November 30, 2009.

### **Additional Information**

Financial information regarding the Company is provided in the Company's comparative financial statements for its most recently completed financial year. The Company will provide to any person, upon request to the Company Secretary, one copy of the Company's Annual Report for the financial year ended December 31, 2012 which includes the financial statements of the Company for the most recently completed financial year and the audit opinion issued thereon.

Copies of the above documents will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document. Additional information relating to the Company can be found at [www.asx.com.au](http://www.asx.com.au) or at [www.sedar.com](http://www.sedar.com).

### **Enquiries**

Shareholders can contact Mr Simon Robertson, Company Secretary, at +61 8 6555 2945 if they have any queries in respect of the matters set out in these documents.

### **Approval of this Management Information Circular**

The contents and the sending of this Management Information Circular have been approved by the directors of the Company.

### **BY ORDER OF THE BOARD**



Simon Robertson  
Company Secretary  
Dated 26 April 2013

## Appendix A

### COALSPUR MINES LIMITED BOARD CHARTER Effective Date: 26 October 2010

#### Role of the Board

The primary function of the Board of Directors (the "Board") of Coalspur Mines Limited (the "Company") is to manage, or supervise the management of, the business and affairs of the Company. In doing so, the Board shall act with a view to the best interests of the Company.

The Board has responsibility for, and has the authority to determine, all matters relating to policies, practices, management and operations of the Company. It is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is carried out in order to achieve the objectives of the Company.

The principle objective of the Company is to acquire, explore, develop and operate (or otherwise exploit) profitable resource projects to create and deliver sustainable value for shareholders.

The Board has the final responsibility for the successful implementation of the strategies, and the ongoing operations and performance, of the Company.

Without limiting the generality of that stated role, the matters reserved specifically for the Board include:

- (a) determining the vision and objectives of the Company;
- (b) formulating short term and long term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;
- (c) identifying occupational health, safety and environmental issues and formulating and implementing policies to address and manage them, and to monitor the compliance and effectiveness of these policies;
- (d) identifying other material business risks pertaining to the Company's operations, and to develop and implement strategies to manage these risks, and internal control systems to monitor compliance with and the effectiveness of these strategies;
- (e) appointing and approving the terms and conditions of the appointment of the Managing Director and Chief Financial Officer, and other officers;
- (f) determining the remuneration of the Company's Managing Director, Chief Financial Officer and other officers of the Company, including share and benefit plans;
- (g) establishing and determining the powers and functions of the committees of the Board ("Committees"), including the Audit Committee;
- (h) reviewing and providing feedback on the performance of the Managing Director and Chief Financial Officer and other officers and senior management of the Company;
- (i) reviewing the performance of the Board, individual directors and Committees;



- (j) endorsing the terms and conditions of employment of senior executives;
- (k) approving and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;
- (l) identifying all areas where written Board policies are required, determining the policies, and overseeing the implementation and monitoring of compliance, including policies in relation to codes of conduct, related party transactions, and trading in the Company's securities;
- (m) approving the annual budget of the Company and variations thereto;
- (n) approving major operating and capital budgets of the Company, and material variations to these budgets;
- (o) authorising expenditure approval limits for the Managing Director and authorising expenditure in excess of these discretionary limits;
- (p) approving all mergers, acquisitions and disposals of projects and businesses;
- (q) considering the reports from Committees and the recommendations made;
- (r) reviewing annually the progress and performance of the Company towards meeting its objectives;
- (s) reviewing periodically the process, outcomes and effectiveness of the Company's decisions and strategies, and ensuring that valuable lessons are identified and absorbed into the process and framework for making future decisions;
- (t) authorising the issue of securities and instruments of the Company;
- (u) approving processes, procedures and internal control systems to ensure that the Company's financial results are reported on a timely and accurate basis;
- (v) approving Annual Financial Reports (and interim financial reports as may be required), Annual Reports, notices of general meetings, and profit and dividend announcements;
- (w) determining, implementing and monitoring procedures to ensure that the Australian Securities Exchange and the Toronto Stock Exchange are promptly and adequately informed of all matters considered to be material, in accordance with the continuous disclosure obligations;
- (x) overseeing the Company's approach to corporate governance issues;
- (y) monitoring developments in the Company's industry and general operating environment; and
- (z) encouraging effective communication between the Company and its shareholders, employees and the general public.

### **Powers of the Board of Directors**

In order to ensure the efficient management of the Company, the Board recognises the need to delegate certain of its powers to executive management. These powers may be delegated to a Committee of the Board, an individual director, or to an officer or employee of the Company.

In delegating this power, the Board must be satisfied that the delegate will exercise it reliably and competently, and in accordance with the requirements of the Board. The Board must be satisfied on reasonable grounds at all times that the delegate would exercise the power in conformity with the duties imposed on directors of the Company by the *Corporations Act 2001 (Cth)* and the Company's Constitution. The Board must also be satisfied, on reasonable grounds and in good faith and after making proper inquiry if the circumstances indicated the need for inquiry that the delegate was reliable and competent in relation to the power delegated.

The Board accepts responsibility for the manner in which the delegated powers are exercised, and must monitor the efficiency and effectiveness of the exercise of these powers by the delegate.

### **Delegation of Authority to Managing Director and Senior Management**

The Board delegates responsibility for the day-to-day management of the Company and its operations to its Managing Director and senior management. This delegation of authority includes responsibility for:

- (a) formulating, with the Board, the vision, strategies, business plans and budgets for the Company, and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Company's businesses within the parameters and having regard to the policies set by the Board from time to time, and keeping the Board informed of material developments in relation to those businesses;
- (c) where proposed transactions, commitments or undertakings exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (d) identifying material business risks, formulating strategies in conjunction with the Board or the Audit Committee to manage the risks, and monitoring effectiveness of the management process and reporting to the Board and Audit Committee;
- (e) developing and managing financial reporting and internal control and monitoring systems to ensure that they are efficient and effective, and provide adequate and timely financial information pertaining to the performance, condition, and prospects of the Company;
- (f) implementing and monitoring compliance with the policies, processes and codes of conduct approved by the Board;
- (g) negotiating the terms and conditions of appointment of senior executives for Board approval, appointing the senior management team, and endorsing the terms and conditions of appointment of all other staff members;
- (h) implementing and monitoring compliance with policies, processes and procedures for the management and development of the Company's human resources, including the corporate culture and ethics;
- (i) providing strong leadership to, and effective management of, the Company;
- (j) ensuring that all matters requiring review or approval by the Board are raised with sufficient supporting information and advance notice to allow proper consideration by the Board; and

- (k) reporting to the Board on a monthly basis, or other agreed time frame considered to be appropriate by the Board, the performance of all parts of the business against budget.

## **Chairman's Responsibilities**

The Chairman's responsibilities include:

- (a) chairing the meetings of the Board in an impartial manner, ensuring that meetings are properly constituted, a quorum is present, minutes of previous meetings are considered as required, all directors have a fair opportunity to participate, and the meeting is declared closed;
- (b) developing a regular schedule of Board meetings, setting the agenda for the meetings in consultation with the Managing Director, and ensuring that there is adequate time and balance allowed between strategic, operational and compliance issues;
- (c) ensuring that issues relating to conflicts of interest between the Company and its directors and employees are properly dealt with in accordance with the Constitution of the Company and applicable law;
- (d) understanding of Board and general meeting rules and procedures;
- (e) chairing the Annual General Meeting (AGM), and any Extraordinary General Meetings, and ensuring that shareholders have adequate opportunity to ask questions and provide their comments in relation to the management of the Company;
- (f) ensuring that the external audit partner is present at the AGM and available to answer any questions raised by shareholders;
- (g) providing leadership and ensuring the effective performance of the Board;
- (h) maintaining ongoing relations with management that are conducive to productive co-operation, and ensuring the provision by management to directors of accurate, timely and clear information;
- (i) arranging regular evaluations of the performance of the Board and its Committees and of individual directors;
- (j) ensuring directors continually update their skills and experience and knowledge of the Company necessary to fulfil their role on the Board and Committees; and
- (k) establishing a protocol to be applied if the Chairman is absent from meetings of the Board.

## **Board Structure**

### **Criteria for Appointment**

Directors are appointed under the terms of the Company's Constitution. Appointments to the Board are to be based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board. The categories considered necessary for this purpose is a blend of accounting and finance, business, technical and administration skills.

## **Formality of Appointment**

Directors should be appointed pursuant to formal agreements. The expectations for time to be committed and involvement in Committees and other activities of the Company should be set out in writing.

## **Role of Non-Executive Directors:**

Non-executive directors collectively shall meet as frequently as required, but not less than 2 times per year.

Non-executive directors collectively should:

- (a) challenge executive management and contribute to the development of strategy;
- (b) scrutinise the performance of executive management against agreed objectives and strategies;
- (c) monitor the quality, quantity and efficiency of internal and external reporting of Company performance;
- (d) review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision making; and
- (e) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

Non-executive directors individually should:

- (a) take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as directors of the Company;
- (b) monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a director of the Company, and provide quality assistance to enable the Company to achieve its objectives; and
- (c) undertake ongoing education to maintain appropriate skill levels, and attend site visits to the Company to assist with the need to remain familiar with the Company's business activities.

## **Annual Review of Non-Executive Directors**

Board composition should be reviewed annually by the Board to ensure that the non-executive directors between them bring the range of skills, knowledge and experience necessary to direct the Company in the future, taking into account its current operations and expectations for changes in the nature and scope of its activities.

## **Expectations of Directors**

Prospective candidates for election as directors of the Company are to be acquainted with the role of the Board and its Committees and the contribution that directors are expected to make,

including, in particular, the time commitment that the Company expects of directors. Directors are expected to prepare in advance of each meeting in order to fulfill their responsibilities as directors.

## **Conflicts of Interest and Potential Conflicts of Interest**

A director must inform the Board or the Chairman as soon as the director becomes aware of any conflict or potential conflict of interest the director may have in relation to any transaction or matter relevant to the Company or its business. Unless the Board decides or the law requires otherwise, the director should be absent from any discussion and decision on that transaction or matter.

## **Compliance with Legislation and Board Policy**

Directors must comply with the relevant legislation impacting on their activities as directors, and with all policies established by the Board.

## **Committees**

The Board may establish, as required, standing and temporary Committees to which it may delegate some of its powers. Each Committee shall adopt a charter in order to define the role, responsibility, powers, structure, composition, operation and administration of the Committee and the Board.

The Board has the adopted an Audit Committee. The Audit Committee, and any other Committee the Board should adopt, should report to the Board, as it considers appropriate having regard to matters and issues of significance that may arise, but in any case at least twice annually.

The minutes of the Audit Committee meetings, and the meeting minutes of any other Committee the Board should adopt, should be included in the Board pack of directors for each Board meeting, except where the Chairman considers it inappropriate due to potential conflicts.

## **Board Performance**

The Board has a process for reviewing its performance and that of its individual directors, Committees and senior management. The Board meets annually to review the outcome of this process.

The annual procedure for Board performance evaluation will be to:

- review its performance against the terms of the Board Charter;
- review the performance of Committees against the terms of their charters;
- review the contribution of each director; and
- review the changes that may be required to the charter of the Board or its Committees, taking into account the developments in the Company and its businesses over the preceding year, and in corporate governance practices.

The Board will determine the scope and detailed procedures involved in this performance evaluation.

## **Indemnity and Insurance**

The Company maintains a Directors' and Officers' Liability insurance policy to indemnify directors against liability (subject to certain exclusions) arising out of the discharge of their duties as directors. All such insurance cover is to be obtained at reasonable rates and on reasonable terms.

**Independent Professional Advice**

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

**Board Review of Mandate**

The Board may review and, as and when necessary, revise this Mandate.

In accordance with applicable securities laws, the text of this mandate shall be included in the Company's management proxy circular for each annual meeting of the Company's shareholders.



## Schedule 1 - Definitions

In this Notice, Explanatory Memorandum and Management Information Circular:

**A\$** means Australian Dollars

**\$** means Canadian Dollars.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report thereon, in respect to the financial year ended 31 December 2012.

**Article** means an article of the Constitution.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** or **Board of Directors** means the board of Directors from time to time.

**Chair** or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** of a member of the Key Management Personnel of the Company means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) any other person prescribed by the Corporations Regulations 2001 (Cth).

**Coalspur** and **Company** means Coalspur Mines Limited ACN 003 041 594.

**Computershare** means either Computershare Investor Services Pty Ltd (Australia) or Computershare Investor Services Inc. (Canada).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Eligible Employees** means executive directors, full-time employees and part-time employees of the Group Companies.

**Eligible Entities** means:

- (a) non-executive directors of Group Companies; and
- (b) consultants and contractors of Group Companies to whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a “sophisticated” or “professional” investor or to whom an offer falls within section 708(1) of the Corporations Act).

**EOP** means the Coalspur Mines Limited Employee Option Plan.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities for the financial year ended 31 December 2012.

**Group** means the Group Companies collectively.

**Group Companies** means the Company or any of its Subsidiaries.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Management Information Circular** means the management information circular attached to this Notice.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Mtpa** means million tonnes per annum.

**NEDCOP** means the Coalspur Mines Limited Non-Executive Director and Consultant Option Plan.

**Notice** means this notice of meeting.

**Option** means an option to subscribe for and be allotted a Share.

**Performance Rights** means the entitlement granted to a participant under the Performance Rights Plan to receive one Share subject to the satisfaction of applicable vesting conditions and/or performance hurdles.

**Performance Rights Plan** means the Coalspur Mines Limited Performance Rights Plan as amended from time to time.

**Proxy Form** means the proxy form attached to or accompanying the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**TSX** means the Toronto Stock Exchange.

**TSX Company Manual** means the company manual of TSX.

**Vista Coal Project** means the Company's "Vista Coal Project" located in the Hinton region of Alberta, Canada.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, Explanatory Memorandum and Management Information Circular words importing the singular include the plural and vice versa.

# Coalspur Mines Limited

ABN 73 003 041 594

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 749 404  
(outside Australia) +61 3 9938 4335

000001 000 CPL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 10am (WST) Wednesday, 29 May 2013

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

**View the Annual Report:**

**[www.coalspur.com](http://www.coalspur.com)**

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Coalspur Mines Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Coalspur Mines Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 31 May 2013 at 10am (WST) and at any adjournment or postponement of that Meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. **Important Note:** For Resolutions 6 and 7, this express authority is also subject to you marking the box in the section below. If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6 and 7 by marking the appropriate box in step 2 below.

**Important for Resolutions 6 and 7:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 6 and 7 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolutions 6 and 7, the Chairman of the Meeting will not cast your votes on Resolutions 6 and 7 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 6 and 7.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolutions 6 and 7 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

## STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Re-election of Director – Mr David Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Re-election of Director – Mr Mark Rodda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. Approval of the Grant of Performance Rights to a Director – Ms Gill Winckler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6. Approval of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7. Approval of Non-Executive Director and Consultant Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_