

## MARCH 2013 QUARTERLY REPORT

**PERTH, Western Australia, 30 April 2013: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT)** is pleased to present its quarterly report for the three months ending 31 March 2013.

### Highlights:

- On 19 April 2013 Coalspur announced it concluded an arrangement to fund the majority of Stage 1 of its Vista Coal Project (“**Vista**”). Highlights include:
  - EIG Global Energy Partners (“**EIG**”) to provide a senior secured debt facility of up to US\$350 million (the “**Facility**”). The Facility is expected to fund the majority of development capital for Stage 1 of Vista, which is estimated to be C\$445 million.
  - EIG increased the amount of the Facility to up to US\$350 million, an increase of US\$50 million from the previous announcement on 20 December 2012.
  - The arrangement enables Coalspur to retain all off-take and marketing rights which allows it to preserve strategic flexibility and extract greater value for Coalspur shareholders in the future. Coalspur will also retain 100% ownership of Vista as part of this transaction.
  - Access to the Facility maintains the development schedule of Vista with anticipated construction in mid-2013 and first production in 2015.
  - Highland Park continued to show support of the Company by allowing C\$30 million of the C\$40 million debt currently outstanding to remain in the Company as subordinated debt.
- Mr. Colin Gilligan was appointed to Chief Operating Officer (“**COO**”) of Coalspur effective 1 April 2013.
  - Mr. Gilligan will be responsible for the development of all stages of Vista as well as technical and operating aspects of the mine.
  - Mr. Gilligan brings 24 years of mining experience to Coalspur, having been involved in the development and operation of major operations internationally.
  - Prior to this appointment, Mr. Gilligan served as the COO of Mitsui Coal holdings Pty Ltd. where he oversaw annual production of 12 million equity tonnes of coal, from eleven joint venture operations.
- The Company announced the appointment of Mr. Richard Tremblay as Vice President, Operations, effective 18 March 2013, to lead Vista into commissioning and production.
  - Mr. Tremblay will be responsible for preparing Vista for commissioning and running the mine once it is operational. Mr. Tremblay will oversee the safety and effectiveness of the operations, all environmental and health matters, production control and staff functions at Vista.
  - Mr. Tremblay has 22 years of experience in the industry and joined Coalspur from Teck Coal where he held a number of senior roles, including that of General Manager of their Fording River Coal operation.

- Coalspur announced that it has reached a definitive agreement (the “**Agreement**”) with CN Rail (“**CN**”) for the transportation of thermal coal from Vista to Ridley Terminals Inc., as well as the final agreement with CN regarding the construction of the rail siding to serve the mine.
  - The key elements of the Agreement are consistent with the terms announced by Coalspur on 14 December 2012 and include transportation of up to 12 million tonnes per annum of coal; and defined rates with agreed escalation and fuel surcharge calculations.
  - As a result of signing the Agreement, total FOB costs for Vista are projected to be C\$56.98 per tonne in the first five years of production, C\$59.55 per tonne in the first ten years of production and C\$66.40 per tonne over the life of the mine.
  - Coalspur and CN also signed an agreement which will govern the construction of a 6.5km long rail siding providing CN access to Coalspur’s loading site. Subject to regulatory approval rail construction activity is expected to begin in Q3, 2013 and be completed in early 2015.
  
- The Company announced that its largest shareholder, the Highland Park Group (“**Highland Park**”), as well as other smaller optionholders, had exercised their options to purchase additional ordinary shares in the company.
  - Highland Park exercised 12,724,669 options at an exercise price of A\$0.70 per option, and now owns 153,840,202 ordinary shares which represents approximately 24.3% of the ordinary shares currently outstanding in the Company.
  - Holders of a further 669,333 options with an exercise price of A\$0.70 per option also exercised their options to acquire further shares.
  - Total funds raised from the exercise of options were A\$9,375,801 the funds were received as of December 31, 2012 and the shares were issued in January 2013.

## Going Forward

The Company is currently focusing on the efforts necessary to finalize the Facility and commence construction on Vista. Activities in the coming months are expected to include:

- Continued pursuit of regulatory approvals which are required to commence forest clearing, site grading, water management structures and other construction activities;
- Satisfy various conditions of the Facility, including holding a meeting of Shareholders to vote on arrangements;
- Finalize the contracting and procurement strategy for Vista Stage 1 to enable construction to commence as planned;
- Award contracts for the civil earthworks and mine pre-development work;
- Discussions to secure additional investment / funding and off-take arrangements for Vista; and
- Continued discussions with mining contractors.

For additional information, please contact:

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## **Regulatory Disclosures**

For further information regarding the Vista Coal Project and Vista Extension, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012. For further information regarding the Vista South Coal Project, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports for the Vista Coal Project, the Vista South Coal Project, and Vista Extension are compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101") and are available for review on SEDAR at [sedar.com](http://sedar.com).

### **Competent Person / Qualified Person Statements**

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

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

The information in this report that relates to Coal Resources on Vista South is based on information compiled by Mr. John Innis, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Innis is a full-time employee of Coalspur. Mr. Innis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Innis has approved and consents to the inclusion of such information in this report in the form and context in which it appears.

### **Forward Looking Statements**

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

Statements concerning Mineral Resource Estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if a given property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including those referred to in the Company's Annual Information under the heading "Description of the Business - Risk Factors", and elsewhere.

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

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

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**COALPSUR MINES LIMITED**

ABN

**73 003 041 594**

Quarter ended ("current quarter")

**March 31, 2013**

### Consolidated statement of cash flows

	Current quarter C\$'000	Year to date (3 months) C\$'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(14)	(14)
(b) development	(333)	(333)
(c) production	-	-
(d) administration	(3,126)	(3,126)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	54	54
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - rental income	24	24
	-	-
<b>Net Operating Cash Flows</b>	<b>(3,395)</b>	<b>(3,395)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(134)	(134)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other a) Capitalized finance costs	-	-
b) Capitalized development costs	(7,350)	(7,350)
<b>Net investing cash flows</b>	<b>(7,484)</b>	<b>(7,484)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(10,879)</b>	<b>(10,879)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(10,879)	(10,879)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	10,000	10,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material): (a) Funds rec'd for exercised options	69	69
<b>Net financing cash flows</b>		10,069	10,069
<b>Net increase (decrease) in cash held</b>		(810)	(810)
1.20	Cash at beginning of quarter/year to date	14,867	14,867
1.21	Exchange rate adjustments to item 1.20	(1)	(1)
1.22	<b>Cash at end of quarter</b>	14,056	14,056

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter C\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	243
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.16: The Company drew C\$10 million on its previously negotiated C\$70 million credit facility for current cash needs. At the end of the quarter, C\$30 million of the credit facility is available.

On March 12, 2013 the Company lodged Financial Statements for the 6 months ended December 31, 2012, having resolved to change its financial year end to December 31. Accordingly the year to date balances in this report are for the 3 months ended March 31, 2013, being the first 3 months of the new financial year.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available C\$'000	Amount used C\$'000
3.1 Loan facilities	30,000	40,000
3.2 Credit standby arrangements	79	131

### Estimated cash outflows for next quarter

	C\$'000
4.1 Exploration and evaluation	-
4.2 Development	7,680
4.3 Production	-
4.4 Administration	6,098
<b>Total</b>	<b>13,778</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter C\$'000	Previous quarter C\$'000
5.1 Cash on hand and at bank	2,657	11,658
5.2 Deposits at call	11,399	3,209
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>14,056</b>	<b>14,867</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Not applicable			
6.2 Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference *securities</b> <i>(description)</i>	25,000,000	-	Not applicable	Not applicable
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	634,248,901	634,248,901	Not applicable	Not applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	<i>Options:</i> 2,750,000 2,750,000 2,750,000 2,750,000 800,000 1,150,000 1,150,000 350,000 1,450,000 1,450,000 2,000,000 8,000,000 2,000,000 1,000,000 1,000,000	- - - - - - - - - - - - - - - -	<i>Exercise price</i> A\$0.10 A\$0.15 A\$0.20 A\$0.25 A\$0.40 A\$0.50 A\$0.60 A\$0.70 A\$0.85 A\$0.95 A\$1.05 A\$0.80 A\$1.5624 A\$1.622 A\$1.248 A\$1.248	<i>Expiry date</i> 31 Dec 2013 30 June 2014 31 Dec 2014 30 June 2015 31 Dec 2013 30 June 2014 31 Dec 2014 30 Jun 2015 30 June 2014 31 Dec 2014 30 Jun 2015 30 Aug 2013 8 May 2014 16 May 2014 14 Sept 2015 18 Mar. 2016
	<i>Rights:</i> 2,598,355 150,000 967,821 967,821 580,532		<i>Exercise price</i> A\$Nil A\$Nil A\$Nil A\$Nil A\$Nil	30 June 2013 30 June 2014 30 June 2015 30 June 2016 15 Dec. 2015
7.8 Issued during quarter	<i>Rights:</i> 580,532		<i>Exercise price</i> A\$Nil	15 Dec. 2015
7.9 Exercised during quarter	<i>Options:</i> 125,000		<i>Exercise price</i> A\$0.35	Funds Received A\$43,750
7.10 Expired/forfeited during quarter	<i>Options:</i> Nil <i>Rights:</i> 63,890 40,546 40,546		<i>Exercise price</i> N/A A\$Nil A\$Nil A\$Nil	Expiry Date N/A 30 June 2013 30 June 2015 30 June 2016

7.11 **Debentures** *(totals only)*

† See chapter 19 for defined terms.

7.12 **Unsecured notes** *(totals only)*

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign

here:..... Date: April 30, 2013  
(~~Director~~/Company secretary)

Print name: Simon Robertson

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.