

JUNE 2013 QUARTERLY REPORT

VANCOUVER, British Columbia, Canada, 31 July 2013: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to present its quarterly report for the three months ending 30 June 2013.

Highlights of past quarter

During the quarter ended June 30, 2013 Coalspur finalised its Vista development plan, secured the majority of development capital to fund Vista, advanced its regulatory applications, and completed clean coal transportation arrangements.

Coalspur’s Board of Directors approved the Vista development plan with capital of C\$458 million for a six million tonnes per annum (“Mtpa”) capacity facility, resulting in a capital efficiency of \$76 per tonne of annual capacity. A competitive process with globally recognised EPC contractors resulted in an optimised project strategy, and confidence around development costs, schedule and project delivery. The terms agreed with the selected EPC contractor, Forge group’s Taggart Global, de-risk the capital budget by locking in approximately 50% (US\$221 million) of total development capital and also de-risk the schedule to first production which is anticipated around the middle of calendar year 2015.

The Company’s financial position remains strong following the closing of a senior secured debt facility of up to US\$350 million (the “**Facility**”) with EIG Global Energy Partners (“**EIG**”), and the associated restructuring of its C\$70 million credit facility with Borrowdale Park S.A. (“**Borrowdale Park**”) into a C\$30 million subordinated note. These agreements enable Coalspur to maintain the forecast construction schedule for Vista and first production in 2015, and retain all off-take and marketing rights, thereby preserving strategic flexibility. Proceeds from the Facility are expected to fund the majority of development capital for the first phase of Vista.

Following shareholder approval on June 27, in July the Company issued 120 million warrants to EIG and 14 million warrants to Borrowdale Park, both with an exercise price of A\$0.55, made an initial draw of US\$37.0 million under the Facility, paid EIG a US\$7.0 million facility fee, and repaid C\$10 million of the previous C\$40 million owing to Borrowdale Park. Further draws upon the facility are contingent on obtaining regulatory approval for Vista Phase 1, and other conditions typical for a facility of this size.

The Company advanced regulatory applications through public and aboriginal consultation, and by responding to formal Supplementary Information Requests (“**SIR**”) from the Alberta Energy Regulator (“**AER**”). Although progress has been slower than anticipated, Coalspur continues to advance negotiations with aboriginal groups and other stakeholders, and the approval process for Vista Phase 1 is nearing completion.

Coalspur finalised its arrangements for transporting clean coal by rail to tidewater, by reaching a definitive agreement with CN Railway which outlines key terms for a seven year coal transportation agreement, and by bringing total committed port capacity with Ridley Terminals Inc. to 10.7 Mtpa. This capacity commences with 2.5 Mtpa in 2015, and increases to 10.7 Mtpa by 2020 to closely align with the Company’s forecast production.

CANADA

Suite 600, 543 Granville Street
Vancouver, BC V6C 1X8
Telephone: +1 604 697 4470

AUSTRALIA

Level 1, 28 Ord Street
West Perth, WA 6005
Telephone: +61 8 6555 2945

Coalspur Mines Limited ABN: 73 003 041 594
TSX Code: CPT ASX Code: CPL

Going Forward

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

- Finalising necessary regulatory approvals to commence forest clearing, site grading, water management structures and other construction activities on Vista;
- Finalising the EPC contract with Forge/Taggart and awarding contracts for the civil earthworks and mine pre-development work;
- Continuing discussions with potential investors to secure the remaining funding or off-take arrangements required to complete Vista Phase 1; and
- Continuing discussions with mining contractors.

For additional information, please contact:

Greg Bittar

VP, Investor Relations
Australasia
gbittar@coalspur.com
P: + 61 409 611 744

Chris Borowski

Investor Relations
North America and Europe
cborowski@coalspur.com
P: +1 403 973 5607

David Montpetit

VP, External Affairs and Logistics
dmontpetit@coalspur.com
P: +1 403 801 1344

Regulatory Disclosures

For further information regarding Vista and Vista Extension, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012. For further information regarding Vista South, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements

The information in this report that relates to mining infrastructure and associated capital costs, is based on information compiled by Mr. Richard Tremblay, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Tremblay is a full-time employee of Coalspur, and has sufficient experience which is relevant to the style of infrastructure 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 National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mr. Tremblay 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 Form under the heading "Description of the Business - Risk Factors", and elsewhere. The Company has several material risk factors that could cause actual results to differ materially from the forward-looking information, including, but not limited to; risks associated with funding requirements for Vista development, uncertainties relating to fluctuations in coal price, uncertainties related to the availability of future financing, risks related to Coalspur's existing credit facility, risks associated with take or pay commitments with Ridley Terminals, risks associated with the need for governmental licenses, permits and approvals, uncertainties related to aboriginal rights claims and multiple mineral development, and uncertainties related to global economic and financial conditions.

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

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")

June 30, 2013

Consolidated statement of cash flows

	Current quarter C\$'000	Year to date (6 months) C\$'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(53)	(67)
(b) development	(2,034)	(2,367)
(c) production	-	-
(d) administration	(2,652)	(5,777)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	37	91
1.5 Interest and other costs of finance paid	(1,188)	(1,188)
1.6 Income taxes paid	-	-
1.7 Other - rental income	107	131
	-	-
Net Operating Cash Flows	(5,783)	(9,177)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(50)	(184)
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	(4,105)	(11,455)
Net investing cash flows	(4,155)	(11,639)
1.13 Total operating and investing cash flows (carried forward)	(9,938)	(20,816)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(9,938)	(20,816)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	717	786
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	10,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material):	-	-
Net financing cash flows		717	10,786
Net increase (decrease) in cash held		(9,221)	(10,030)
1.20	Cash at beginning of quarter/year to date	14,056	14,867
1.21	Exchange rate adjustments to item 1.20	27	25
1.22	Cash at end of quarter	4,862	4,862

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	225
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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 6 months ended June 30, 2013.

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	96	114

Estimated cash outflows for next quarter

	C\$'000
4.1 Exploration and evaluation	-
4.2 Development	28,586
4.3 Production	-
4.4 Administration	3,620
Total	32,206

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	2,224	2,657
5.2 Deposits at call	2,638	11,399
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,862	14,056

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.

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: 31 July, 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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