

SEPTEMBER 2013 QUARTERLY REPORT

VANCOUVER, British Columbia, Canada, 25 October 2013: Coalspur Mines Limited ("Coalspur" or "Company") (ASX: CPL, TSX: CPT) is pleased to present its quarterly report for the three months ending 30 September 2013.

Highlights of past quarter

During the quarter ended 30 September 2013 Coalspur advanced its regulatory applications, achieved financial close of the senior secured debt facility and announced the appointments of the Chief Financial Officer and Corporate Secretary.

The Alberta Energy Regulator ("AER") concluded its internal review of the Company's Vista Project ("Vista") and has scheduled a hearing to be held in two parts, the first part to be held in Calgary starting on 9 December 2013 and the second part to be held in Hinton starting on 13 January 2014. The hearing is the final external review stage in the AER approval process of Vista and will focus on the concerns of the groups who have been granted intervener status. The AER has determined that four parties have the right to participate in the hearing.

The outstanding concerns are limited to overlapping mineral development rights with an oil and gas company, Tourmaline Oil Corp., and development issues raised by three aboriginal groups. The aboriginal groups are Alexis Nakota Sioux Nation, Ermineskin Cree Nation and Whitefish (Goodfish) Lake First Nation. Coalspur has engaged with numerous aboriginal groups for over two years and agreements have been reached with a number of these groups through this consultation process. The Company believes that all of the relevant concerns expressed by the intervening groups can be addressed.

Each part of the hearing is expected to last up to one week and the AER will render its final decision on approval for Vista within 90 days of the close of the hearing in January. Should agreements be reached with all of the interveners before the hearing dates, the AER could render its final decision regarding the approval of Vista without holding a hearing.

In July the Company achieved financial close and made an initial draw of US\$37.0 million in regards to the senior debt facility secured from EIG Global Energy Partners ("EIG"). 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.

In August, Coalspur announced the appointment of Mr. Robert Gough as the Chief Financial Officer effective 1 October 2013. Mr. Gough, MBA, B.Com, CPA, previously worked at BHP Billiton for a cumulative 16 years that included a number of senior executive roles. Most recently Mr. Gough was Vice President Finance (CFO) for BHP Billiton's Energy Coal division based in Sydney, Australia. In this role he was responsible for the division's statutory and management accounting, information management and governance of capital investment, risk processes and compliance.

In September, the Company announced the appointment of Ms. Xenia Kritsos as joint Company Secretary of Coalspur. Ms. Kritsos BA, LLB, BCL (Oxford) has more than 15 years of experience as a lawyer, both in the resources industry and in private practice in Canada and overseas. Ms. Kritsos holds the position of Vice President, General Counsel and Secretary of the Company.

Going Forward

The Company is primarily focused on activities necessary to commence construction on Vista. Activities in the coming months are expected to include:

- On-going engagement with four interveners in the aforementioned AER approval process together with preparations for the announced hearing dates with the objective of securing regulatory approval for Vista;
- Continuing discussions with potential investors to secure the remaining funding or off-take arrangements required to complete the funding for Vista Phase 1; and
- Finalising the EPC contract with Forge and awarding contracts for the civil earthworks and mine pre-development work.

For additional information, please contact:

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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 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.

Rule 5.3

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

COALSPUR MINES LIMITED

ABN

73 003 041 594

Quarter ended ("current quarter")

September 30, 2013

Consolidated statement of cash flows

	Current quarter C\$'000	Year to date (9 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	(14)	(81)
(b) development	(1,265)	(3,632)
(c) production	-	-
(d) administration	(4,036)	(9,813)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	105
1.5 Interest and other costs of finance paid	(9,149)	(10,337)
1.6 Income taxes paid	-	-
1.7 Other - rental income	77	208
	-	-
Net Operating Cash Flows	(14,373)	(23,550)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(93)	(277)
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	(2,192)	(13,647)
Net investing cash flows	(2,285)	(13,924)
1.13 Total operating and investing cash flows (carried forward)	(16,658)	(37,474)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(16,658)	(37,474)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	786
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	28,875	38,875
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material):	-	-
	Net financing cash flows	28,875	39,661
	Net increase (decrease) in cash held	12,217	2,187
1.20	Cash at beginning of quarter/year to date	4,862	14,867
1.21	Exchange rate adjustments to item 1.20	(3)	22
1.22	Cash at end of quarter	17,076	17,076

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	216
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 six 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 nine months ended September 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	-	68,875
3.2 Credit standby arrangements	174	36

Estimated cash outflows for next quarter

	C\$'000
4.1 Exploration and evaluation	-
4.2 Development	5,200
4.3 Production	-
4.4 Administration	2,100
Total	7,300

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	3,477	2,224
5.2 Deposits at call	13,599	2,638
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	17,076	4,862

Changes in interests in mining tenements and petroleum 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 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 25 October 2013
(Director/Company secretary/Officer)

Print name: Robert Gough

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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